



Daily Report—

East Asia

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Japan

Hata Urges Independent International Role

OW 0609094093 Tokyo KYODO in English 0907 GMT
6 Sep 93

[Text] Tokyo, Sept. 6 KYODO—Japan should assume an international role commensurate with its economic power and not merely follow the United States or Europe, Foreign Minister Tsutomu Hata said Monday [6 September].

Ministry officials quoted Hata as saying in a meeting with U.S. Senator Richard Shelby that he thinks Japan's international role should involve "sweating" in fields in which it is capable of contributing, ministry officials said. Hata told Shelby that Japan will make efforts to produce results in economic relations with the U.S., the officials said.

In the 30-minute meeting, Shelby said the appointment of former Vice President Walter Mondale as U.S. ambassador to Japan shows the importance that Washington places on bilateral ties, they said.

MITI To Abolish Voluntary Cuts in Tool Exports

OW 060904193 Tokyo KYODO in English 0020 GMT
6 Sep 93

[Text] Tokyo, Sept. 6 KYODO—The Ministry of International Trade and Industry [MITI] will abolish current voluntary restrictions in machine tool exports to the United States after they expire in December of this year, the NIKKAN KOGYO SHIMBUN said Monday [6 September].

There is little concern that Japanese machine tool exports rise sharply even if the bilateral agreement is scrapped, and the General Agreement on Tariffs and Trade wants to see such voluntary curbs lifted, the industrial daily said.

The agreement, under which Taiwan and Japan agreed to voluntarily restrict machine tool shipments to the U.S., was reached at the end of 1986 for a five-year term beginning in 1987. However, the agreement was renewed in 1991 for a two-year extension, following a request by then President George Bush, who cited "national security reasons" for protecting the U.S. industry.

Machine tools are sophisticated computer-controlled lathes, milling machines and other devices used in the production of high-tech equipment, including weapons.

Officials on Resumption of U.S. Trade Talks

OW 1509091393 Tokyo KYODO in English 0856 GMT
15 Sep 93

[Text] Tokyo, Sept. 15 KYODO—Japan and the United States will resume talks in Hawaii Friday [17 September] to formulate a framework for bilateral trade, government

officials said Wednesday. The officials said the forthcoming negotiations will cover the opening of the Japanese construction market, liberalization of the insurance market and increased imports of U.S. auto parts.

Discussion at the first two days of working-level talks Friday and Saturday will concentrate on review of a Japan-U.S. agreement on the opening of Japan's construction market, they said.

Japan is expected to come under heavy pressure to further open its construction market to U.S. contractors, the officials said. One issue expected to be taken up is the newly adopted open public tender system with some restrictions, under which U.S. firms find it hard to participate.

Negotiations on individual sectors, including liberalization of the insurance market, will be held September 19, and discussions on government procurement will be held the following day.

The officials said September 21-22 have been set aside for talks on automobile and auto parts trade. They said the United States is expected to urge Japan to step up moves to meet import targets of U.S. automobiles and auto parts.

When former U.S. President George Bush visited Tokyo in 1992, Japanese automakers promised to purchase 19 billion dollars worth of auto parts from U.S. suppliers by fiscal 1994.

The officials said Washington is also likely to urge Japan to set import targets for U.S.-made telecommunications and medical equipment, remove a ban on imports of apples from the United States and expand imports of sheet glass and paper products.

The two countries will hold high-level talks September 22-24 to prepare for a general meeting of the Asia-Pacific Economic Cooperation (APEC) forum scheduled for November in Seattle, Washington, the officials said.

Exports Increase; Imports Continue 'Slumping'

OW 0609094693 Tokyo KYODO in English 0933 GMT
6 Sep 93

[Text] Tokyo, Sept. 6 KYODO—Japanese exports increased and imports continued slumping in the first half of this year despite the yen's sharp appreciation on the foreign exchange market, according to an official report published Monday [6 September].

The Japan External Trade Organization (JETRO) said in the report the results were caused by a phenomenon known as the "J curve effect" observed in the period.

A higher yen would normally reduce the competitiveness of Japanese exports.

Analyzing customs clearance statistics for the period, JETRO said Japan's exports increased 7.3 percent from a year earlier to 175 billion dollars.

Rises in export costs stemming from the higher yen contributed to 90 percent of the rise in the dollar-based export value, JETRO said. At the same time, the export volume continued rising, although the rate of increase slowed down.

Meanwhile, imports during the period increased 2.9 percent to 117.7 billion dollars, JETRO said.

The growth in imports was not strong, however, due to slumping domestic demand, it said.

Rally Protests Live-Firing Exercise in Okinawa

*OW1409075793 Naha NHK Television in Japanese
0315 GMT 14 Sep 93*

[Announcer-read report over video]

[Text] Live-firing training by the U.S. military, which closed prefectoral highway No. 104, started this morning at a training ground on Camp Hansen in Kin-cho. This is the 8th live-firing training this year and is scheduled to continue today [14 September] and the day after tomorrow [16 September] at the training ground on Camp Hansen in Kin-cho. This is the first training since a decision was made on 12 August to close down three gun platforms close to residential areas.

Today's training started at around 0830 this morning. A dull sound echoed around the area every time a cannon was fired.

Prefectural labor unions and other organizations held a rally near the training ground to protest against the training. Zenshun Arakaki, chairman of the Okinawa Peace Movement Center, said: Some officials are talking about moving live-firing training to the mainland. However, our goal is not to move the training grounds but to abolish them. We will continue our movement by cooperating with people in other areas.

After the speech, about 70 participants yelled slogans in chorus, saying that they were against military training and would not allow destruction of nature.

Taiwan Delegation Meets With Takako Doi, Others

*OW1409101693 Taipei CNA in English 0802 GMT
14 Sep 93*

[Text] Tokyo, Sept. 13 (CNA)—A 17-member Republic of China [ROC] delegation headed by legislator Chu Feng-chih met with Japan lower house Speaker Takako Doi and leaders of the Dietmen's Council for Japan-Republic of China Relations on Monday [13 September].

During the meeting, the ROC delegation requested Doi's help in convincing the Japanese Government to redeem old Deutsche marks sold to Taiwan in the 1920s.

Doi said she will ask the Diet to pay attention to this issue.

Lower house members Shinji Sato and Seisuke Okuno and upper house member Isao Maeda also met with the delegation and said they will ask the Japanese Government to resolve the issue soon.

The delegation paid a call on Lin Chin-ching, representative of the Taipei Economic and Cultural Representative Office in Japan, in the morning.

They will visit the Japan Interchange Association Tuesday to meet with officials from the Foreign Ministry and the Justice Ministry.

Ministry on Sponsorship of 'War-Displaced' Women

*OW0709073493 Tokyo KYODO in English 0655 GMT
7 Sep 93*

[Text] Tokyo, Sept. 7 KYODO—Health and Welfare Minister Keigo Ouchi said Tuesday [7 September] the national and local governments should shoulder the burden of supporting war-displaced Japanese women from China wishing to live in Japan.

Ouchi told a press conference after a cabinet meeting that the government should not adhere strictly to the rule that Japanese women wishing to return to live in Japan can do so only if they can locate family members or other persons willing to serve as guarantors.

Ouchi said the government will speed up the process of locating persons around Japan willing to act as guarantors for the women, even if not from the women's home prefectures.

So far, only 246 people have registered to cooperate as guarantors for such returnees under a scheme the ministry initiated to try to smooth the way for them to reenter the country. [passage omitted covered by referent items]

Funds Extended To Evacuate Wounded in Bosnia

*OW1409082993 Tokyo KYODO in English 0814 GMT
14 Sep 93*

[Text] Tokyo, Sept. 14 KYODO—Japan will extend 250,000 dollars to help evacuate severely wounded people from the former Yugoslavia, particularly Bosnia-Herzegovina, for emergency medical treatment in third countries, the Foreign Ministry said Tuesday.

Spokesman Terusuke Terada told reporters the funds will be transferred to the International Organization for Migration (IOM) to support its special medical program.

Terada said considering it costs some 2,000 dollars to evacuate one person from the war-battered region, Japan's contribution could theoretically fund the evacuation of 125 people.

So far, only 76 people have been evacuated under the joint program between the IOM and the United Nations High Commissioner for Refugees (UNHCR).

Terada said the new money comes on top of 200,000 dollars contributed by Japan last July for IOM operations in the former Yugoslavia.

Since the ethnic conflicts in the former Yugoslavia broke out, Japan has now extended more than 62 million dollars in assistance through international relief organizations.

Defense Agency Chief Leaves for Mozambique

OW1109054493 Tokyo KYODO in English 0527 GMT
11 Sep 93

[Text] Tokyo, Sept. 11 KYODO—Defense Agency Director General Keisuke Nakanishi left Japan for Mozambique on Saturday [11 September] to boost morale of Japanese Self-Defense Forces (SDF) troops serving as United Nations peacekeepers there.

During his six-day stay in Mozambique, Nakanishi will visit the 53-member Japanese contingent that since spring has been engaged in UN operations in the Mozambique capital of Maputo, the nearby city of Matola, and the coastal city of Beira.

Officials said Nakanishi will meet with Mozambique President Joaquim Alberto Ghissano.

The Japanese contingent is comprised of a 48-member SDF unit engaged in transport control operations, and five SDF officers serving as staffers for the command headquarters of the UN peacekeeping mission, the officials said.

Last October, the Mozambique government and rebels signed a cease-fire ending a 16-year civil war that estimates say killed 1 million people and forced 800,000 refugees to flee from fighting.

In December, the UN Security Council approved a resolution dispatching a 7,000- to 8,000-member peace-keeping force to Mozambique.

Nakanishi is scheduled to return home September 16, the officials said.

GSDF Engineers Complete Mission in Cambodia

OW1009042093 Tokyo KYODO in English 0232 GMT
10 Sep 93

[Text] Kompong Som, Cambodia, Sept. 10 KYODO—Engineers from Japan's Ground Self-Defense Force (GSDF) on a United Nations peacekeeping mission in Cambodia completed their assignment Friday [10 September] and began preparing to return home later this month, Japanese officials said.

The 600-member corps of GSDF engineers formally completed their reconstruction tasks with opening ceremonies Friday for a container yard in the port of Kompong Som in southern Cambodia.

The engineers, dispatched last March in place of a similar contingent that also served for six months in Japan's first ever UN peacekeeping mission, were assigned to noncombatant tasks such as reconstructing and repairing a national highway and bridges in southern Cambodia.

The container yard will be used by the forces of other nations on the UN mission for shipping materials home during their withdrawal.

Some 50 engineers from the Japanese task force worked for three months on the 4,000-square-meter yard, made of concrete blocks.

About 450 of the engineers are scheduled to return to Chitose airport on Japan's northernmost main island of Hokkaido next Tuesday with another 150 following on September 26, the Japanese Government said Wednesday in Tokyo.

About 70 civilian police officers and most of the 50 election monitors sent by Japan have already returned home.

Tokyo Donates Supplies, Equipment to Cambodia

OW1209074093 Tokyo KYODO in English 0700 GMT
12 Sep 93

[Text] Tokyo, Sept. 12 KYODO—Japan will donate 1.1 billion yen worth of supplies and equipment from its peacekeeping mission to Cambodia to the country's provisional government, the Foreign Ministry announced Sunday [12 September].

According to a ministry release, Ambassador Yukio Imagawa informed Cambodia's provisional government in a letter that Tokyo would honor its request and leave behind some of its equipment and supplies as the peace-keeping mission came to a close.

The letter was presented to Phnom Penh's Joint Chief Cabinet Secretaries Sok An and Veng Sereyvuth at the Japanese base at Takeo.

Some 600 engineers of the Self-Defense Forces spent a year in Cambodia on a United Nations peacekeeping mission, Japan's first, reconstructing highways and bridges that had been destroyed or damaged in more than a decade of civil war.

The mission was completed last week and the engineers are scheduled to return to Japan in two groups, one on Tuesday and another on September 26.

The ministry said Sunday that it hoped the materials would be put to effective use in the economic and social development of the country and for improvement of the people's welfare.

The supplies include medical equipment and medicines, road construction equipment, building construction materials, refrigerators, and tables and chairs.

Union, Shipowners To Pay Philippine Crews More

*OW0609063893 Tokyo KYODO in English 0537 GMT
6 Sep 93*

[Text] Tokyo, Sept. 6 KYODO—A Japanese seafarers' union and a management association of shipowners have reached a basic agreement to improve the working conditions of Philippine crew members on Japanese-owned flag of convenience vessels, officials said Monday [6 September].

The All Japan Seamen's Union and the International Mariners' Management Association of Japan have agreed to hike the wages of some 13,000 Philippine crew members on Japanese vessels to above the minimum level set by the International Transport Workers' Federation (ITF), they said.

The ITF had demanded that the minimum wage of skilled Filipino seafarers be raised up to 1,000 dollars a month from the current level of some 900 dollars, the officials said.

Both sides also agreed to proceed with talks to improve working conditions for other foreign crew members, such as Chinese, on Japanese flag of convenience vessels, they said.

The seafarers' union will submit a draft proposal to an ITF meeting in Rotterdam, the Netherlands, in October for approval, the officials said.

Watanabe Withdrawal Leaves Kono Unopposed

*OW1409092393 Tokyo KYODO in English 0903 GMT
14 Sep 93*

[Text] Tokyo, Sept. 14 KYODO—Liberal Democratic Party (LDP) leader Yohei Kono was virtually reelected Tuesday as president of the Japan's largest opposition party, party officials said.

Former foreign minister Michio Watanabe met Kono and told the president that he will not run in the upcoming LDP presidential election, the officials said.

No other candidates are expected to run in the election, the officials said.

The LDP, losing a 38-year hold on power in August, is scheduled to register its candidate Friday, the officials said.

The party will choose a new leader at its convention, slated for September 29-30, the officials said.

On August 30, Kono won a presidential election against Watanabe and became the 16th LDP president after prime minister Morihiro Hosokawa of the Japan new party formed a coalition government of seven parties August 9.

He replaced former prime minister and LDP president Kiichi Miyazawa, who resigned to take responsibility for the party's defeat in the July 18 House of Representatives election.

Kono will serve as LDP president until September 30, when the remainder of Miyazawa's two-year-term as LDP chief expires.

Contractors' 'Questionable Payment' Reported

*OW0509103493 Tokyo KYODO in English 0955 GMT
5 Sep 93*

[Text] Yokohama, Sept. 5 KYODO—In what appears to be another questionable payment by construction companies to politicians, around 30 construction contractors paid a total of 200 million yen to Yokohama Mayor Hidenobu Takahide's de facto chief campaigner at the time of the April 1990 mayoral election, investigative sources said Sunday.

The contractors paid the money to an organization linked with the late Hikosaburo Okonogi, a former international and industry minister, who as head of the Liberal Democratic Party's Kanagawa prefectural chapter managed Takahide's campaign, the sources said. It is not known whether the payment violated the law.

Many employees of construction companies served as campaigners during the mayoral election, the sources said.

Okonogi died in November 1991 and one of his two sons ran for and won a seat in the July 18 general election for the House of Representatives.

Takahide, who was a construction ministry engineer, beat a Social Democratic Party contender to win the mayoral election.

Since earlier this year, many major construction firms have been accused of using unspecified expenditures and of having provided secret funds or bribes to politicians.

Prosecutors arrested three elected officials of local autonomous bodies this summer on suspicion of taking bribes from contractors. They were former Ibaraki Gov. Fujio Takuchi, former Sendai Mayor Toru Ishii of Miyagi Prefecture, and Masahiro Oyama, former head of the town of Sanwa in Ibaraki Prefecture.

DSA Plans To Abolish Political Donations

*OW0609121293 Tokyo KYODO in English 1123 GMT
6 Sep 93*

[Text] Tokyo, Sept. 6 KYODO—The Japan Department Stores Association [DSA] said Monday [6 September] it plans to stop making political donations to the Liberal Democratic Party (LDP) and the Democratic Socialist Party (DSP).

Hiroshi Hidaka, head of the association, told a news conference that the association's policy is in line with a decision

by the Federation of Economic Organizations (Keidanren), a powerful business management organization.

The association has given 40 million yen annually to Kokumin Seiji Kyokai, through which the LDP receives political donations mainly from business organizations, and 1.5 million yen to Seiwa Kyokai, through which the DSP receives donations. The association will hold a board meeting on Friday to formally discuss ending the political donations.

Hidaka is also president of Takashimaya Co., a major department store. He said Japanese department stores were worried about posting a deficit this financial year and can ill-afford to make political donations.

Business Prospects Revised Lower as Yen Rises

*OW0609100993 Tokyo KYODO in English 0946 GMT
6 Sep 93*

[Text] Tokyo, Sept. 6 KYODO—A private think tank on Monday [6 September] announced a sharply downgraded earnings outlook for Japan's major companies for fiscal 1993 in view of the continued slump in domestic demand and the recent upsurge of the yen.

The New Japan Securities Research Institute said the combined pretax profit of 429 companies listed on the major section of the Tokyo stock exchange will plunge 17.0 percent in fiscal 1993, on sales down 3.0 percent from the previous year. The companies exclude financial and insurance firms.

The latest outlook is worse than the previous survey released in June, which projected a 1.4 percent fall in sales and an 8.1 percent drop in pretax profit.

The institute, the research arm of New Japan Securities Co., attributed the dismal results to continuously sluggish personal spending and capital investments and the sharp upswing of the yen.

For fiscal 1994, starting in April, the institute forecast a 2.2 percent rise in sales and a 10.6 percent jump in pretax profit, since the companies will be supported by the government's series of economic stimulation measures and corporate streamlining efforts.

One point for concern, however, is that the fiscal 1994 estimate has been calculated on an assumed currency value at 105 yen to the U.S. dollar, the report said, adding that further appreciation of the yen will cut expected sales and pretax profit in half.

Housing Loan Corporation Cuts Interest Rate

*OW0709063293 Tokyo KYODO in English 0547 GMT
7 Sep 93*

[Text] Tokyo, Sept. 7 KYODO—The government-backed Housing Loan Corp. will lower the basic interest rate on its loans by 0.25 percentage point per annum, retroactive to August 25. Construction Minister Kozo Igarashi said Tuesday [7 September]. Igarashi told

reporters after a cabinet meeting that the new rate will be the second lowest on record.

The reduction followed cuts in interest rates on funds for the government's fiscal investments and loans.

The corporation will now charge an annual interest rate of 4.2 percent on a loan for the purchase of a home of 125 square meters or less in floor space, down from the present 4.45 percent, and 4.45 percent for a home of between 126 square meters and 165 square meters, down from 4.75 percent. The interest rate on a loan for buying a home of up to 240 square meters will be 4.7 percent, down from 5.0 percent.

EPA Chief Kubota: Slump 'May Be Protracted'

*OW0709042693 Tokyo KYODO in English 0342 GMT
7 Sep 93*

[Text] Tokyo, Sept. 7 KYODO—Japan's chief economic planner Manae Kubota said Tuesday [7 September] the latest recession may be protracted further. Kubota, director general of the Economic Planning Agency (EPA), told a press conference after a cabinet meeting that many cabinet members voiced worries that the recession may not easily end and could drag on further.

The EPA's closely watched monthly economic report, released on the day, depicted the economy as "stagnating," backpedaling on the agency's earlier diagnosis that the recession has almost bottomed out.

Kubota pinpointed employment as an area which requires particularly close attention because the state of the economy will be finally reflected in jobs.

"We will monitor the ratio of job offers to job seekers with particular attention to keep it from worsening further," she said. The key ratio dropped to 0.72 in July from the previous month's 0.74. The figure means that there are only 72 job openings for every 100 job seekers.

Defense Agency Head Urges Income Tax Break

*OW0709065093 Tokyo KYODO in English 0637 GMT
7 Sep 93*

[Text] Tokyo, Sept. 7 KYODO—Defense Agency head Keisuke Nakanishi said Tuesday [7 September] the government should reduce income taxes by issuing deficit-covering bonds to prop up the sluggish economy.

Defense Agency Director General Nakanishi said any shortfall in the government's revenue should be compensated by a hike in the consumption tax one year after such income tax is cut. He unveiled his own idea for the financial measures, saying the rate of consumption tax should be raised from the present 3 percent to 10 percent, while income tax could be cut to about half of the current level.

Nakanishi, a Shinseito (Japan Renewal Party) member in the coalition government, said the income tax break

should take precedence over an increase in the consumption tax as a way to revitalize the nation's economy.

The Finance Ministry has long been opposed to the income tax break by issuing deficit-financing bonds, citing the tight budget condition as a reason. But Nakaniishi's remarks, unusual for an incumbent cabinet minister, are expected to arouse controversy in the extraordinary Diet session which is likely to be convened later this month, political sources said.

LDP Urges 5-Trillion-Yen Income Tax Cut

*OW0809144293 Tokyo KYODO in English 1425 GMT
8 Sep 93*

[Text] Tokyo, Sept. 8 KYODO—The opposition Liberal Democratic Party (LDP) called Wednesday [8 September] for 5 trillion yen in income tax cuts to stimulate consumer spending and economic growth.

The proposal for large-scale income tax cuts is part of a 16-point pump-priming package put together by the former ruling party at a joint meeting of policy-making legislators, party officials said.

The request follows calls for income tax cuts from business circles and Shinseito (Japan Renewal Party), a core party of Prime Minister Morihiro Hosokawa's coalition government.

The Hosokawa cabinet is trying to compile comprehensive stimulus steps, reportedly made up of additional public work expenditures—including 1 trillion yen spending on damages from natural disasters such as earthquakes and typhoons—according to government sources.

But cabinet members are divided over whether to implement large income tax cuts, which some believe will impose a financial burden in future by increasing outstanding deficit-covering bonds.

Other measures proposed by the LDP include compilation of a second extra national budget, incentives for housing investment, easing of death taxes and further returning of windfall profits from the strong yen to consumers, the officials said.

Fiscal Investment Requests for 1994 Reported

*OW1009025193 Tokyo KYODO in English 0154 GMT
10 Sep 93*

[Text] Tokyo, Sept. 10 KYODO—Spending requests for the government's fiscal investment and loans program for fiscal 1994 totaled 47,650.7 billion yen, up 4.1 percent from the original fiscal 1993 budget, the Finance Ministry said Friday [10 September].

The growth is the lowest in eight years since fiscal 1986.

Large-scale public works projects funded massively in the past years will be completed by the end of the current year to next March, including construction of a new

airport terminal at Tokyo International Airport at Haneda, a ministry official explained.

The Finance Ministry received requests for the spending program, often called the second national budget, from government ministries and agencies by the end of August.

Of the total, requests for ordinary investment and loans programs, designed mainly for housing projects, public works and funding to government-affiliated financial institutions, came to 39,990.7 billion yen, up 9.3 percent.

Requests by Housing Loan Corp. soared 18.7 percent to 8,196.9 billion yen, reflecting surging housing loan applications amid the recent low interest rates, the official said.

Funding requests for independent fund management by the Finance Ministry's trust fund bureau amounted to 7,660 billion yen, down 16.5 percent.

Budget Requests Total 76.74 Trillion Yen

*OW1009025293 Tokyo KYODO in English 0148 GMT
10 Sep 93*

[Text] Tokyo, Sept. 10 KYODO—Budget requests for fiscal 1994 totaled 76.74 trillion yen, up 6.1 percent from the initial fiscal 1993 budget, posting a slim growth amid tough budget conditions, the Finance Ministry said Friday [10 September].

The growth rate for requested general account expenditures compares with a 7.2 percent rise in fiscal 1993, and is the lowest since 1984 when the funding requests grew a scant 3.8 percent, a ministry official said, briefing on the report submitted to the morning cabinet meeting.

But when excluding 1.54 trillion yen earmarked to repay funds allocated from debt liquidation account to cover the fiscal 1992 revenue shortfall, the requests come to 75.20 trillion yen, up only 3.9 percent, the official said.

Given the requests submitted by August 31, the Finance Ministry will hold hearings with ministries and agencies to scrutinize in detail before making a draft budget plan for the next fiscal year that starts April 1, 1994.

If everything goes smoothly, the draft budget will be endorsed by the cabinet in late December.

Prime Minister Morihiro Hosokawa's advocacy of a flexible budget focused on improving people's living conditions will be one of the key guides when the ministry examines the requests, the official said.

Key Business Confidence Index Fall Reported

*OW1009052293 Tokyo KYODO in English 0509 GMT
10 Sep 93*

[Text] Tokyo, Sept. 10 KYODO—The diffusion index of business sentiment among major manufacturers waned to minus 51, resuming its downward trend, the Bank of

Japan (BOJ) said Friday [10 September] in its latest quarterly survey carried out in August.

In the previous "Tankan" survey conducted in May, the closely watched key business confidence index was at minus 4, ending its decline for the first time in nearly four years.

The diffusion index for major nonmanufacturers continued to deteriorate, falling to minus 41 from the previous survey's minus 38.

Major manufacturers said in the previous survey they hope the index will improve to minus 37 in the August survey, and nonmanufacturers expected an upturn to minus 31.

The diffusion indexes represent the percentage of companies answering "positively" minus those responding "negatively."

The labor index for major manufacturers and nonmanufacturers came to plus 19, up from plus 16.

The index of product inventories continued to improve to plus 32 from plus 31.

Major manufacturers and nonmanufacturers revised downward their capital investment plans for the current fiscal year by 1.6 percentage points from the May survey to a year-on-year 5.9 percent fall.

MITI To Approve Utilities Rate Cuts

OWI009102393 Tokyo KYODO in English 1000 GMT
10 Sep 93

[Text] Tokyo, Sept. 10 KYODO—The Ministry of International Trade and Industry (MITI) is ready to approve utilities rate cuts worth about 265 billion yen in total, the trade minister said Friday [10 September].

MITI Minister Hiroshi Kumagai told reporters that profits from the yen's appreciation to be passed on to consumers for one year beginning in October are estimated at some 230 billion yen by 10 electric power firms and at around 35 billion yen by three leading gas companies.

"Once the electric power and gas companies apply, we will promptly authorize (the rate cuts)," Kumagai said.

The rate cuts should enable a couple with two children to save on average slightly under 100 yen per month on electricity bills and around 135 yen for gas during the 11-month period beginning in November, MITI officials said.

Calculations for the utility rate cuts are based on an assumed crude oil price of 16.5 dollar per barrel and a dollar worth 104 yen in foreign exchange dealings.

The cut in electricity and gas charges will be the first in four years since 1989.

The ministry judged that the passing on of windfalls from the yen's gains to consumers would be possible despite severe business conditions, Kumagai said.

The 11-month temporary cut could be extended after October of next year if conditions on which the calculations are based remain unchanged.

Otherwise, the rate may revert to the current level or be reviewed, the officials said.

Chamber of Commerce Head Urges Income Tax Cuts

OWI1309105993 Tokyo KYODO in English 1050 GMT
13 Sep 93

[Text] Tokyo, Sept. 13 KYODO—Japan Chamber of Commerce and Industry Chairman Kosaku Inaba said Monday [13 September] income tax cuts are urgently needed to get the economy out of the doldrums.

Prime Minister Morihiro Hosokawa should show strong leadership in formulating ways to spur the economy, Inaba said in a speech delivered to the Japan National Press Club.

Inaba, who described the economy as being in a severe condition, said the Hosokawa government has appeared unwilling to accept repeated requests from the chamber for income tax reductions.

Inaba refrained from specifying the scale of income tax cuts he favors.

Takeshi Nagano, president of the Japan Federation of Employers' Associations, has proposed 5 trillion yen in income tax cuts.

Inaba also urged Hosokawa to take the initiative in easing government regulations.

Waiting for a new "Maekawa Report" to come out before relaxing administrative regulations would be too late, Inaba said.

The original Maekawa report on restructuring the economy, named after former Bank of Japan Governor Haruo Maekawa, was released in April 1986 under the government of Prime Minister Yasuhiro Nakasone.

Business Leaders Urge Income Tax Cut

OWI1309045293 Tokyo KYODO in English 0421 GMT
13 Sep 93

[Text] Tokyo, Sept. 13 KYODO—Business leaders called for income tax cuts and other measures to quickly restore the health of Japan's ailing economy, trade ministry officials said Monday [13 September].

Representatives of the Japan Federation of Employers' Associations (Nikkeiren) made the request during a gathering with International Trade and Industry Minister Hiroshi Kumagai, the officials said.

Expressing concern over possible further deterioration in the economy, which has been hard hit by the yen's appreciation, unusual bad weather, and worldwide economic slowdown, Nikkeiren President Takeshi Nagano called on the government for quick action, they said.

Kumagai was quoted as replying that the government would consider an income tax cut "from every aspect," taking account of the results of deliberations by the tax commission, an advisory body to the prime minister.

The Nikkeiren side also called for further deregulation as a way of lowering consumer prices, measures to boost employment, and international cooperation in stabilizing exchange rates, the officials said.

Kumagai said the government is working out an additional pump-priming package as a "first step" to reform the economic structure from a medium and long-term point of view, as well as a quick remedy, they said.

Tokyo To Cut Residential Tax for Education

*OW1309172893 Tokyo KYODO in English 1557 GMT
13 Sep 93*

[Text] Tokyo, Sept. 13 KYODO—The government will cut the residential tax for parents of high school and college students as part of a pump-priming package to rev up the sluggish economy, government sources said Monday [13 September].

The tax will apply to parents and guardians of students aged between 16 and 22, the sources told KYODO NEWS SERVICE.

The tax exemption for dependents will be raised from the current 360,000 yen to 380,000 yen, they said.

This translates into a tax reduction of 2,000 yen to 6,000 yen for standard families of two children.

The measure will be implemented from fiscal 1994, which starts next April, according to the sources.

However, they said the government will drop its earlier plan to cut the residential tax for those who newly acquire houses with loans.

The 5 trillion yen stimulative package, expected to be adopted Thursday, is also likely to include a greater appropriation of about 2 trillion yen to the Government Housing Loan Corp. to finance construction of 100,000 more homes.

In addition, 1 trillion yen will be set aside for low-interest loans to be provided through government financial institutions to help smaller businesses.

Coalition Fails To Agree on Proposed Tax Cuts

*OW1309140393 Tokyo KYODO in English 1333 GMT
13 Sep 93*

[Text] Tokyo, Sept. 13 KYODO—Policy experts from partners in the coalition government of Prime Minister Morihiro Hosokawa failed to break a deadlock Monday [13 September] over proposed tax cuts to spur Japan's economy, government sources said.

A final decision on the proposals was left to top-level party executives slated to meet Thursday, the sources said.

In the meeting of policy experts, no agreement was made on proposals to cut individual income taxes to soften the tax burden on money each household spends to pay to educate children, they said.

Gridlock also stalled a proposal to ease the tax burden on families repaying housing loans, the sources said.

They said the experts blamed the continued standoff on an absence of promising state revenue sources to finance such cuts.

But the experts agreed in principle to assemble a 5 trillion yen package to bolster the floundering economy, they said.

The 5 trillion yen would include 1 trillion yen for additional social infrastructure building as well as measures to bail out small and medium-size companies which have been rocked by the yen's rise and the anemic economy, they added.

The experts relayed the conflicting positions of their respective groups and parties to Deputy Cabinet Secretary Yukio Hatoyama, who was at the meeting, they added.

Stimulus Package Focuses on Personal Consumption

*OW1509105993 Tokyo KYODO in English 1028 GMT
15 Sep 93*

[Text] Tokyo, Sept. 15 KYODO—The government Thursday [16 September] will unveil a new 6 trillion yen pump-priming package that focuses on boosting personal consumption and imports, officials said Wednesday. Government officials said the program will be adopted at a meeting of cabinet ministers in charge of economic affairs Thursday afternoon.

Prime Minister Morihiro Hosokawa will then hold a nationally televised news conference, pledging his government's determination to slash the swollen current account surplus and stimulate domestic demand, they said.

The new package will be in addition to a 13.2 trillion yen economic stimulus program adopted in April. The new program places emphasis on improvement of the social

infrastructure, reflecting the government's policy shift of its emphasis from manufacturers to consumers, the officials said.

They said 1 trillion yen will be set aside for improvement of the social infrastructure.

The officials said simplification of import procedures and stricter implementation of the antimonopoly law will feature deregulation measures aimed at promoting imports and stimulating consumer spending. They said the government will continue to study income tax cuts as part of a comprehensive review of the existing taxation system.

The business community has called for tax cuts as a measure to prop up consumer spending. The government's tax commission is scheduled to come up with a recommendation in mid-November.

Deregulation was worked out on the basis of a 30-point proposal submitted to Hosokawa recently by the Federation of Economic Organizations (Keidanren). The package will incorporate an increase in appropriations for housing loans and aid to small enterprises, the officials said.

The government earlier said it is ready to approve applications for cuts in electricity and gas rates to pass on benefits from the yen's appreciation to consumers.

Farmers Plan To Cut Wheat, Barley, Rye Production

OW 0709092293 Tokyo KYODO in English 0904 GMT
7 Sep 93

[Text] Tokyo, Sept. 7 KYODO—Japanese farmers are moving to slash wheat, barley and rye production in the coming years amid expectations that the government will encourage rice production, farming organization officials said Tuesday [7 September].

The Agriculture, Forestry and Fisheries Ministry is reportedly planning to scale back rice production cuts in and after 1994 because this year's rice harvest is expected to be one of the worst in the postwar period due to the cool summer weather and rice blast.

Farm organizations in 12 prefectures nationwide will hold meetings on September 14 to approve plans to cut wheat, barley and rye production.

Wheat, barley and rye seeds are sown in the autumn every year, and farm organizations are urging the government to make a quick decision on scaling back rice production cuts.

The Farm Ministry, however, prefers to make that decision only after the final 1993 rice production data become available, ministry officials said.

For the past two decades, the ministry has called for a certain area of rice paddy to be used for growing other types of grains and vegetables in an attempt to prevent an oversupply of rice.

Food Agency Challenges Rice Import Forecast

OW 1509122793 Tokyo KYODO in English 1209 GMT
15 Sep 93

[Text] Tokyo, Sept. 15 KYODO—The Food Agency dismissed Wednesday [15 September] a warning by a private database institute that Japan may have to import one million tons of rice to overcome a supply shortage resulting from a poor harvest this year. The agency said no such concerns are warranted because it plans to distribute early harvested rice next summer to balance out the supply-demand situation.

The privately operated rice database, which specializes in surveying rice production and supplies, forecast Wednesday that Japan would have to import one million tons of rice next year to make up for a supply shortage.

Agricultural industry sources said Japan's rice supplies will fall more than one million tons short of its annual consumption estimated at 10 million tons if the rice harvest this year declines to 8.5 million tons.

The volume of rice under government control is estimated at 350,000 to 450,000 tons at the end of October this year, they said.

The Food Agency said the nation's rice consumption for a 10-month period starting from August this year is estimated at a little over eight million tons. It said there is no concern about a supply shortage next year because an early crop of rice estimated at 200,000 tons will be available in August and harvesting of early delivery rice will begin in wider areas in September.

Ministry Studies Revision of Pension, Insurance

OW 0409131593 Tokyo KYODO in English 1142 GMT
4 Sep 93

[Text] Tokyo, Sept. 4 KYODO—The Health and Welfare Ministry has begun to study the possibility of abolishing dual payments of pension and unemployment insurance allowances to promote employment of aged people, ministry officials said Saturday [4 September]. Under a revised formula, pension payments to retired people will be suspended while they receive an unemployment insurance allowance, the officials said.

Under the existing systems, workers are eligible to both after they retire at age 60. For instance, the retirees can receive pension averaging 213,000 yen per month as well as a maximum of 270,000 yen per month in unemployment insurance for about 10 months.

The officials said the ministry hopes to reach a decision within this year in consultation with Labor, Finance and other ministries concerned.

They said the high income of retirees have discouraged them from seeking new jobs.

Basing of Pensions on Disposable Income Urged
*OW1209055593 Tokyo KYODO in English 0529 GMT
12 Sep 93*

[Text] Tokyo, Sept. 12 KYODO—A government tax panel will recommend that pensions of salaried workers be based on disposable income rather than the current system of wages, official sources said Sunday [12 September].

The Ministry of Health and Welfare has already started studying possible administrative problems that revision of the system would entail, the sources said.

The National Pension Council will make the recommendation to Health and Welfare Minister Keigo Ouchi at the end of September.

The move is designed to prevent pensions from surpassing the average disposable income of workers, they said.

As the tax and social welfare insurance burdens for workers increase with the aging of the population, the growth of disposable income is expected to lag behind that of pretax income.

There is a possibility that pensions will surpass average disposable income in future.

Currently, pensions average about 68 percent of monthly salary, and 80 percent of disposable income.

The amount of pensions is revised every five years according to growth rates of wages in addition to an annual inflation adjustment.

Agency Reports on Growth of Elderly Population
*OW1409101493 Tokyo KYODO in English 1002 GMT
14 Sep 93*

[Text] Tokyo, Sept. 14 KYODO—Japan's population is rapidly aging with people aged 65 or more now accounting for a record 13.5 percent, or 16.87 million, the Management and Coordination Agency said Tuesday in a survey.

According to the survey released on the eve of respect for the aged day, Japan became a "graying society" in 1970 when the number of elderly people accounted for 7.1 percent of the population.

The survey projects the percentage share of people aged 65 or over in the total population will rise to the 14 percent mark in 1994. Japan's share of senior citizens is expected to grow from 7 percent to 14 percent in just 25 years, the survey said.

Estimates for the same rise in France, Sweden and Britain are 115 years, 85 years and 45 years, respectively, according to the survey.

The agency based its on a recent national census on births and deaths from the four countries, officials said. One in four elderly people has some sort of job, the survey noted.

North Korea

KCNA Reports U.S. Air Exercises on 13 Sep
*SK1509043393 Pyongyang KCNA in English 0407
GMT 15 Sep 93*

[Text] Pyongyang, September 15 (KCNA)—Formations of FA-18s of the U.S. Marines based in the Pacific flew above Pyongchang and Yongwol, South Korea, on September 13 in an exercise of surprise bombing on targets and return to their base with a mid-air refueling, according to military sources.

The exercise against the North was a war gamble of overseas-based Marines flying corps aimed at increasing their capabilities of emergency sortie into the Korean peninsula and surprise strike at targets.

That day, formations of KC-135s refueled scores of fighter-bombers flying in an air war exercise in the skies above Muju and Kunsan, South Korea, and then staged an exercise of return flight to their Guam base.

Malian, Other Foreign Visitors Arrive

*SK1509050993 Pyongyang KCNA in English 0419
GMT 15 Sep 93*

[Text] Pyongyang, September 15 (KCNA)—A delegation of the Malian Ministry for Foreign Affairs, Malians abroad and African integration led by Secretary General Noumou Diakite arrived here by air Tuesday [14 September].

Hiroharu Seki, Director of the Board of the International Institute of the Chuche Idea and professor of Ritsumeikan University, arrived here on the same day.

Algerian Ambassador 'Recalled Home' 11 Sep

*SK1309010393 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 11 Sep 93*

[Text] Mokhtar Reguieg, ambassador of the Democratic and Popular Republic of Algeria to our country, was recalled home by plane today.

New Sudanese Ambassador Arrives in Pyongyang

*SK1309112793 Pyongyang KCNA in English 1006
GMT 13 Sep 93*

[Text] Pyongyang, September 13 (KCNA)—Ali Yusuf Ahmad, newly-appointed Sudanese ambassador extraordinary and plenipotentiary to the Democratic People's Republic of Korea, arrived here by air today.

Peruvian University President Visits Pyongyang

*SK1109055593 Pyongyang KCNA in English 0450
GMT 11 Sep 93*

[Text] Pyongyang, September 11 (KCNA)—Nelson Espinosa, President of the Los Andes de Huancayo University of Peru, and his companion arrived here Friday.

They were met at the airport by Vice-president of the Chuche Idea Academy Kim Chang-su.

Japanese Group Urges Japanese-DPRK Relations

*SK1009151993 Pyongyang KCNA in English 1501
GMT 10 Sep 93*

[Text] Pyongyang, September 10 (KCNA)—Representatives of the Saitama women's society for support to the independent and peaceful reunification of Korea including Masako Noguci, chairperson of the Saitama prefectural headquarters of the Rapan society of women at a press conference called for the independent and peaceful reunification of Korea and the normalization of Japan-DPRK diplomatic relations.

Requests to the Japanese prime minister, foreign minister, education minister, speakers of the House of Representatives and the House of Councillors were made public at the press interview.

The requests urged then to cooperate for a success of the DPRK-U.S. talks and resume the talks for the normalization of Japan-DPRK diplomatic relations. They also demanded that they urge the South Korean "Government" to approve the 10-point programme of the great unity of the whole nation put forward by the DPRK and realise the independent and peaceful reunification of the Korean peninsula and immediately settle the questions of the "comfort women for the Army," forcible drafting and soldiers and military civilians charged with war crimes and other questions of postwar disposal which were discussed by the United Nations Commission on Human Rights and make an apology for them.

Kim Il-song Receives Notes From Foreign Leaders

*SK1509043793 Pyongyang KCNA in English 0413
GMT 15 Sep 93*

[Text] Pyongyang, September 15 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea received messages of greetings from heads of state of various countries on the occasion of the 45th founding anniversary of the DPRK.

The messages came from Shankar Dayal Sharma, president of the Republic of India; Bhumibol Adulyadej, King of Thailand; H. Kamuzu Banda, president of the Republic of Malawi; Maaouiya Ould Sid Ahmed Taya, president of the Islamic Republic of Mauritania; Nicéphore Soglo, president of the Republic of Benin; Melchior Ndadaye, president of the Republic of Burundi; Q.K.J. Masire, president of the Republic of Botswana; Dawda Kairaba Jawara, president of the Republic of

Gambia; Franjo Tuđman, president of the Republic of Croatia; Askar Akayev, president of the Republic of Kyrgyzstan; Husayn Bin-Talal, acting king of the Hashemite Kingdom of Jordan; Elias Hrawi, president of the Republic of Lebanon; Thomas Klestil, federal president of the Republic of Austria; Adolf Ogi, president of the Swiss Confederation; 'Ali 'Abdallah Salih, president of the Presidential Council of the Republic of Yemen; Mauno Koivisto, president of the Republic of Finland; Violeta Barrios de Chamorro, president of the Republic of Nicaragua; P.J. Patterson, prime minister of Jamaica; Noor Hassanali, president of the Republic of Trinidad and Tobago; Alberto Fujimori Fujimori, president of the Republic of Peru; Kennedy Simmonds, prime minister of St. Kitts- Nevis; Carlos Salinas de Gortari, president of the United States of Mexico; Manuel Esquivel, prime minister of Belize; and Nicholas Brathwaite, prime minister of Grenada.

In the messages they extended warm congratulations to President Kim Il-song and wished him good health and long life.

They hoped that the excellent relations of friendship and cooperation between Korea and their countries would continue to grow stronger and develop on good terms in the future in the interests of the two peoples.

Kim Il-song Sends Greetings to Mexican President

*SK1509104193 Pyongyang KCNA in English 1018
GMT 15 Sep 93*

[Text] Pyongyang, September 15 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea on September 14 sent a message of greetings to Carlos Salinas de Gortari, president of the United States of Mexico, on the independence day of his country.

Expressing the belief that the friendly relations between the two countries will further develop in the interests of the two peoples, the message wholeheartedly wished the president and his people greater success in the work for the independent development and prosperity of the country.

Kim Chong-il Sends Birthday Table to Worker

SK1509013393 Pyongyang Korean Central Television Network in Korean 1100 GMT 14 Sep 93

[Text] Comrade Kim Chong-il, the dear leader of our party and our people who treasures each revolutionary fighter and gives him boundless love and trust, has benevolently sent a 61st birthday table to Comrade Kang Cho-sun who works for the Ministry of Petroleum Industry [wonyu kongopju].

Comrade Kang Cho-sun contributed greatly to the development of the people's economy by locating a great deal of the country's underground resources, climbing up and down the mountain ridges of the country for over 40

years since the days of the fierce and gruesome war with boundless loyalty to the party and the leader.

Comrade Kang Cho-sun, receiving the loving 61st birthday table, could not help but be thankful for the great benevolence and care shown by the dear leader Comrade Kim Chong-il to an ordinary revolutionary fighter in remembering even his 61st birthday, and firmly resolved to repay this trust and great love with loyalty, generation after generation.

Sends Books to Schools

*SK1509044093 Pyongyang KCNA in English 0416
GMT 15 Sep 93*

[Text] Pyongyang, September 15 (KCNA)—The dear leader Comrade Kim Chong-il sent to the kindergartens across the country a collection of books containing fairy tales (18 volumes) which would help develop the mental faculties of children.

Regarding children, the future of the country, as the "king" of the nation and taking a meticulous care of them, he has always paid deep attention to their education and constantly shown solicitude for them.

This time he took measures to make on the highest level the "collection of world's famous fairy tales" instrumental in the education of children so that all the kindergarteners could read it.

The collection published by the literary and art publishing house contains 18 world famous fairy tales. The tales which are greatly helpful to children in distinguishing between the right and the wrong with an assiduous and honest mind were edited on the basis of interesting pictures.

Papers React to Kim Yong-sam's CNN Interview

*SK1509054693 Pyongyang KCNA in English 0425
GMT 15 Sep 93*

[Text] Pyongyang, September 15 (KCNA)—The South Korean ruler, Kim Yong-sam, in an interview with the U.S. television CNN September 12 let loose a tirade about the inter-Korean relations and dialogue, the U.S. military presence in South Korea and the "reforms" there.

Papers here today note that what he said at the interview was so far below the standard of a politician that it is hardly worth serious discussion.

A NODONG SINMUN analyst says:

When being seated in "Chongwadae [presidential offices]," Kim Yong-sam waxed quite eloquent about "civilian government," "building of a new Korea" and "reforms." Six months later, however, he is at his wit's end. The "civilian government" of South Korea is in an unstable lot with an unpredictable future.

The South Korean ruler overtly declared that he would stick to the policy of dependence on outside forces, alleging that the North "has deployed its military strength on the forefront." This fully reveals his flunkieist and traitorous nature.

He hurled mud at fellow countrymen and said he could not get on without outside forces, though it is none other than himself who had said "no ally is better than fellow countrymen". This shows that although the "government" has changed in South Korea, there is no change in its dependence on outside forces and the present "civilian government" is also a puppet "regime" which has totally discarded national dignity.

Kim Yong-sam cried out again for "sanctions" against the North, distorting facts as if the North were refusing North-South dialogue. This is a despicable attempt to evade the blame for its criminal act in breaking up dialogue with the North after its emergence under the "civilian" veil.

The South Korean rulers, we think, are trying to get something from aggravating North-South confrontation and hurting fellow countrymen with the help of outside forces. It will, on the contrary, precipitate the doom of the "civilian government."

In a signed commentary titled "what do they dare to abuse" MINJU CHOSON describes the malicious abuses hurled by the South Korean ruler at socialism of the North, talking about North-South relations, as a scream of one trembling with uneasiness in face of powerful Korean-style socialism which is winning victory after victory.

South Paper Reports 'Atrocious Murder' in Army

*SK1209000593 Pyongyang KCNA in English 1507
GMT 11 Sep 93*

[Text] Pyongyang, September 11 (KCNA)—Choe Yong-hwan residing in Inchon, South Korea, laid bare atrocious murder in the army.

In an article headlined "sternly punish murderers" contributed to the paper "KUGUK CHONSON" he said some 6,390 soldiers were killed in the puppet army during the seven years of the "Fifth Republic" dictatorship.

He further said:

"Such medieval, barbarous tortures as licking the floor of a toilet and shocking murder by beating are committed without hesitation still now. Not uncommon is politically-motivated murder of activist students press-ganged into the puppet army, which is committed quietly."

"Those who have treated men in military uniform as dumb weapons and slaves and indiscriminately beat and killed them must face deserved punishment", he demanded.

He called for a reform in the army at the moment when "civilian politics" is advertised by the present "regime".

South Opposition Urges Former Leaders' Testimony

*SK1209113293 Pyongyang KCNA in English 1003
GMT 12 Sep 93*

[**"South Korean Opposition Party Demands 'Testimony' of Former Fascist Dictators at 'National Assembly'" — KCNA headline**]

[Text] Pyongyang, September 12 (KCNA)—Yi Ki-taeck, representative of the opposition Democratic Party, called a press conference on September 9, and demanded "testimonies at the National Assembly" of the former dictators to probe the truth behind the "December 12 incident", the irregularities involving the purchase of weapons committed under the cloak of the "Yulgok project" and the tricky "peace dam", according to a radio report from Seoul.

Noting that it was made clear by the results of the "parliamentary investigation" that Chon Tu-hwan and No Tae-u are to blame for the "December 12 incident" and so on, he said a full investigation into the truth is impossible without their "testimonies". He demanded an extension of the period of "parliamentary investigation" to this end.

Saying it has been proved once again through activities for "parliamentary investigation" that the "Democratic Liberal Party" has no intention to liquidate the past, refusing a live television broadcasting intended to satisfy the people's right to know, he contended that Kim Yong-sam should bear responsibility for failing to bring forth Chon Tu-hwan and No Tae-u for the "parliamentary investigation".

KCNA Profiles Development of Railway System

*SK1309104493 Pyongyang KCNA in English 1001
GMT 13 Sep 93*

[Text] Pyongyang, September 13 (KCNA)—Sustained efforts are directed to the development of railway transport in the Democratic People's Republic of Korea. This year the DPRK Government has increased the appropriations for railway transport 3.1 percent above last year to further consolidate the material and technical foundations of the railways.

Some 410 kilometres of railways including the Hyesan-Manpo youth line, the Pyongsan-Kaesong line and the Yonggwang-Sasu line were switched over to electric traction, the new Kowon-Puraesan line was laid and heavy rails were briskly introduced on major trunk lines in the first eight months or more this year.

The Kim Chong-tae Electric Locomotive Complex, the June 4 Rolling Stock Complex, the Hwanghae Iron and Steel Complex and other railway factories and iron and steel plants have boosted the production of electric

locomotives, wagons and rails to meet the growing demand of the national economy for transport.

The locomotive corps and stations in charge of freight transport carry great quantities of freight through effective organisation and command of transport.

The freight turnover of the Railway Ministry in August was nearly 400,000 tons more than the same period last year.

South Korea

Source Reports North's Defense of Nuclear Site

*SK1509013993 Seoul YONHAP in English 0124 GMT
15 Sep 93*

[Text] Seoul, Sept. 15 (YONHAP)—North Korea is building six bases for SA-2 surface-to-air missiles to protect its nuclear facilities in Yongbyon, an informed source said Wednesday [15 September].

Reinforcement of the air defense network in and around the Yonbyon [as received] nuclear complex seems to be part of a North Korean effort to beef up readiness to counter sanctions by the U.N. Security Council for its nuclear ambitions, the source said.

North Korea has 346 anti-aircraft guns in 47 positions within a 6-kilometer radius of Yongbyon, he said.

The source, who is well versed in North Korean affairs, said that it has been confirmed that North Korea has conducted 10 air raid drills involving 30 air defense units and MIG-29 fighters this year.

Russian Paper on North Lumber Camps in Siberia

Russia To End Lumber Accord

*SK1509004093 Seoul KBS-1 Radio Network in Korean
2200 GMT 14 Sep 93*

[Report by Moscow correspondent Kim Son-ki]

[Text] The 14 September issue of the newspaper 24 [TWENTY-FOUR] reports that Russian Prime Minister Chernomyrdin signed Bill No. 561 of the Russian Federal Government which suspends the Khabarovsk forestry lumber agreement with North Korea effective 1 January 1994.

The paper reports that when Bill No. 561 is implemented, it will not only forbid North Korea's lumber business, but will also further cool relations between the two countries.

Prior to this, Kovalev, chairman of the Human Rights Committee of the Russian parliament, sent a letter to President Yeltsin pointing out that there is a prison detaining North Korean workers at the North Korean lumber site, and that this is violating Russia's domestic law.

North 'Violating' Rights

*SK1509012993 Seoul YONHAP in English 0021 GMT
15 Sep 93*

[Text] Moscow, Sept. 14 (YONHAP)—An average 10 workers die every month in North Korean logging camps in Siberia from beatings and incarceration, a Russian newspaper reported Tuesday.

The daily, "24," published by the ITAR-TASS News Agency, attributed its story on the North Korean logging camps to a report on human rights by the Russian Parliament.

The report was drawn up by the Human Rights Committee of the Russian Parliament after its members conducted an investigation of the North Korean logging camps and was submitted to President Boris Yeltsin, the newspaper said.

The report says that North Korea is flagrantly violating the rights of its workers, the newspaper said.

Under a secret agreement between the Soviet KGB and the North Korean Ministry of Public Security, North Korea is still able to permanently station security officials in Russia and has judicial powers within the camps, it said.

In one camp, a security chief admitted to the committee's investigators that he was holding a number of North Korean loggers in prison from six days to six months for "re-education." This, the report said, was an invasion of Russia's sovereignty.

Based on the report, the Russian Government has already proposed to North Korea that it abolish the current agreement and replace it with another pact on North Korean logging that would not run counter to Russian law.

North Korea is expected to start negotiating with Russia soon for a new agreement on logging, the daily added.

French President Mitterrand Continues Visit**Addresses National Assembly**

*SK1509082193 Seoul KBS-1 Television Network in
Korean 0710 GMT 15 Sep 93*

[Speech by French President Francois Mitterrand at ROK National Assembly in Seoul—live, in French with simultaneous translation into Korean]

[Text] Esteemed Speaker, Assemblymen, domestic and foreign guests:

I wish to express, first of all, my appreciation to you for providing me with the opportunity to speak to the people of the ROK here, in this palace of ROK parliamentary democracy.

I feel great satisfaction whenever I visit the National Assembly of a country, because the National Assembly is that country's palace of democracy. I myself was a parliamentarian of the French parliament for 35 years. Thus, I have deep emotions as I visit the ROK National Assembly. Needless to say, while leading the life of a parliamentarian, I experienced a number of changes and difficult times, as well as moments that gave me great satisfaction. This is what I would like to call traits of democracy. Improvement and change are inherent in democracy.

I have had the opportunity to dwell on various problems that our mankind faces. Only when there is balance between a nation's organizations, particularly, balance between the administrative and legislative branches, can the state be managed properly. As each individual has his own acts [sohaeng] to conduct, each organization of a nation has acts to conduct which correspond to its characteristics. We cannot say that a nation's system of [word indistinct] is always appropriate for the moments that it faces.

In view of its unique nature, democracy should remain close to the people. The parliament—the main body of democracy—should reflect the people's will because its members are elected by the people. The parliament is the palace where efforts should be made for world peace.

As you know, democracy, because of its specific characteristics, always has room to be improved. For this reason, we should not assess democracy only through a simple yardstick. In addition, no country on earth can be proud that it has established a complete and firm democracy.

Just as democracy cannot be established as long as complete freedom is not ensured, so the definition of freedom cannot be different according to different places. The definition of freedom cannot be different in the ROK or in France.

At this juncture, we can say that ROK politics are moving in a clear direction. I want to tell you that, among numerable miracles worked by the ROK, the ROK's courage and indomitable will for democracy and freedom have set an example for other countries. Indeed, the ROK people's courage and will have set an example for other countries.

In addition, after the disasters of the miserable, fratricidal Korean war, there were many difficulties that the ROK had to overcome. In other words, the ROK had to reconstruct its ruined territory, had to go through the sufferings coming from national division, and had to secure the capability to defend itself immediately.

However, the ROK was in a position to put off realizing democracy on the grounds of such difficulties. The ROK was also in a position not to seek democracy for good. However, viewing such facts from a new angle, the ROK people were resolved to decide the fate of the Korean peninsula for themselves.

Knowing of his excellency president's firm will to purify the officialdom and of the ROK people's full support of the president's will, I can grasp that, in a true sense of respecting constitutionalism and human rights, the ROK is aspiring to a modern and multiparty democracy. All countries respecting freedom, including France, fully sympathize with and express respect for the ROK's efforts for democracy.

In addition, as ROK politics have gained legitimacy, the ROK's voice is gradually rising in the international arena. The ROK has formally entered the United Nations, has created a brilliant role in a regional cooperative organization, and is establishing new relations with its past enemies. Accordingly, the ROK has risen as an important and significant partner in the international arena.

Therefore, the ROK must successfully carry out its ongoing historical and great turn based on its determination and prudence. Also, I would like to emphasize once again that France, as a permanent member of the UN Security Council, will positively support the ROK position. When I think of the ROK, I always regard it as our partner based on friendship and mutual cooperation.

In addition, I would like to say that you have been properly and positively dealing with the global changes. I believe that the reunification of the Korean peninsula is the first consideration in dealing with those changes.

Can the Korean people overcome this clear reality of division of the country, which is artificial and the remnant of history? I believe that they can overcome it.

As a result of the end of the Cold War and the reflux of ideologies, which have been ignored in the international community, the reunification of the Korean peninsula may be possible. [applause]

Therefore, I would like to tell you once again that I sincerely hope you realize the reunification of your country. I don't believe that the situation on the Korean peninsula is normal. I would like to emphasize, however, that the future of the Korean peninsula is dependent upon your hands, the Korean people.

I also think that you, the Korean people and the ROK Government, can jointly seek plans to realize national reunification. Not only myself but also every one around me hopes that the Korean peninsula can be reunified. I hope that the Korean people themselves can solve their own problems without [word indistinct].

I am confident that you—who are elected as lawmakers by your people through democratic procedures and present here—can find a good solution and, in particular, formulate plans to obtain a good result from confrontation with North Korea. Also, I am aware of the fact that the ROK Government is seeking a reunification formula—progressive, practical, and peaceful—to overcome the division of the country. As a condition for establishing new relations with North Korea, the ROK

has put forth a precondition; namely, that North Korea should completely give up nuclear weapons development openly and completely. Since North Korea joined the International Atomic Energy Agency of its own free will, it should thoroughly observe all provisions and accept inspections. I can tell you this was the condition.

I know very well that you are very interested in this issue. France attaches importance to the thorough observation of the articles given in the Nuclear Nonproliferation Treaty [NPT], which is a basis of the prevention of nuclear proliferation throughout the world. Therefore, France has already and affirmatively shown its position on the unconditional extension of the treaty in the (? extended meeting) to be held in 1995 in order to observe the NPT. France is making every effort for this. I hope that all countries throughout the world can join the treaty.

I would like to say once again that international society will not just look on this new nuclear threat on the Korean peninsula with folded arms. Also, when you continuously make efforts, you can reverse the flow of this trend by obtaining a good result, thus removing the nuclear threat.

To our regret, this nuclear threat still lurks. I would like to say that the mission of international society is to eliminate this kind of threat.

Nuclear power, which is wielding its enormous power, will be reduced to a negligible power some day with the elapse of time. This requires your understanding and efforts.

France did not only suspend nuclear testing in April 1992 but also showed a very positive stance for accepting international opinions that all forms of nuclear tests be suspended. We thus are actively joining in international society's move to prevent the proliferation of nuclear weapons.

We exchanged views on this with President Yeltsin, the British prime minister, and others. All of these leaders as well as President Clinton shared very positive opinions that such a nuclear test be suspended. I asked for these friendly powers' opinions because I thought that suspending this nuclear test is very important. These powers' leaders also positively responded to my opinion.

In order to defend the world's lasting peace, we should free ourselves from the nuclear threat as soon as possible. I think that denuclearization will be realized when a treaty, including international inspections, is signed at multilateral negotiations to be held in Geneva soon. I would like to say that when we abide by all international treaties, including [word indistinct] treaty, we will enter the new era of the world's trend. To try this new attempt gives us a new hope and promises a brighter future for us. This will also help us end the difficulties we are experiencing now. I also would like to say that man has an excellent energy capable of overcoming it no matter how difficult a situation he is in.

As you know, a new era has come with 1989 as a starting point. It, however, is true that the era, in which hope and danger coexist, has begun. The vast Eurasian continent had experienced a bitter division because of totalitarianism and other world events. Another new aspect has appeared because of the mixture of different religions and nationalities and conflict among nations.

I would like to say that imagining how the world will change is a wondrous thing to me, while it will be very dangerous if a trifling confrontation develops into a collision and if heterogeneity leads to conflict. Perhaps we can say this kind of danger is a very dignified one. We, therefore, should set up an international standard in the international society, and all of us should make efforts to observe the standard.

We can consider the collapse of the former Soviet Union as an example of various international changes. International society is experiencing a serious confusion because of the collapse of the Soviet Union and communism.

For this reason, I want to tell you that the number of the French troops is the largest among the UN troops dispatched throughout the world. This conforms to the French historical background and its position in the international arena.

At this juncture, I would like to tell you emphatically that, even in the change of the international society, it is our key task to seek world peace. In this connection, the ROK has dispatched peacekeeping troops to Somalia in keeping with its role in the international arena. By so doing, the ROK has faithfully implemented its responsibility.

However, even though the authority of the United Nations is expanded and the United Nations is operated normally, the historic mission of establishing the international order cannot be carried out only by the United Nations. Thus, regional consultative organizations, regional cooperative organizations, and regional coalition organizations should strengthen their fraternal mutuality, should use human-minded resources and ideas, and thereby should take a decisive role in establishing a new collective security system through the existing (treaties).

As you well know, there is the European Community [EC], to which France belongs. The EC is composed of 12 member countries. In addition, the EC has formed various common organizations. However, the tasks of the EC and various organizations are not the same.

We see that Europe is being merged before our eyes. Europe should rearrange the purposes and structures of its organizations in keeping with a new change. The EC will not remain as nothing more than 12 member states. This is because other European countries have applied to be alternate states to enter the EC. Therefore, I would like to tell you that as the days pass and as Europe is being merged, the number of EC member states will increase.

In addition, I would like to tell you that the EC has the most open characteristic in the view of the world [word indistinct]. In addition to an economic organization, the EC is an organization to consolidate our solidarity as a political coalition organization. I hope that the various countries in the world as well as the EC will abide by various international treaties. I would like once again to tell you the importance that various European countries as well as France attaches to such international practices. Of course, it goes without saying that to observe such an international practice requires a sacrifice.

I have told you about Europe. However, there is the Asian continent beyond Eurasia. A trend of rapid economic merging is occurring in the Asia-Pacific region beyond Eurasia. Many reform plans are being promoted there; that is, the Asia-Pacific region is considering setting up an institutional framework as soon as possible by strengthening the existing regional cooperative systems.

I would like to tell you that the European countries are considerably interested in such a developing situation in the Asia-Pacific region. This is because, even though it is important to be interested in the changes regarding ourselves, we have also deep interest in the situation of the Asia-Pacific region which is in a partnership with us.

We wish to maintain close cooperative relations with various organizations in this region and to revitalize further the existing systems because Europe and Asia have inseparable relations that they should not sever. Therefore, Europe and Asia, linked in one continent, must cooperate with each other. Moreover, it is not appropriate to contrast Europe and Asia, like two different worlds.

When we review cooperative relations with the ROK, we can say that a good fruition has begun to bloom already from the trade domain through active cooperation. In particular, I would like to emphasize that automobile, maritime transportation, protection of patent rights, and expulsion of imitations are the fields in which we can easily cooperate.

However, we should break from somewhat fragmentary ways for a mutual approach and should seek a regularly based political dialogue so that relations between the two countries can develop in depth and consistently.

I firmly believe that the ROK's new economic policy, which is based on opening and the market principle, will enhance the ROK's economy onto the economic level of members of the Organization for Economic Cooperation and Development [OECD] and will facilitate the ROK's entry into the OECD. In particular, France would be greatly encouraged by this. In addition, reform in the tax system, opening to foreign investments, gradual opening of financial markets, and systematic abolition of various laws and regulations hindering business activities will certainly encourage France. Such decisions by the ROK will not only further consolidate cooperative relations between the two countries but also will greatly contribute to economic and social development of the ROK.

I would like to mention a few words about agriculture. It is true that agriculture constitutes the backbone of the economic growth of a nation. I trust that cooperation in the agricultural domain should be carried out in such a way as to vitalize exchanges instead of [word indistinct]. We should keep in mind that agriculture also makes individuals, society and state, and overall circumstances maintain their balance.

However, by being engrossed merely with the idea of fostering capabilities corresponding to the new international situation and with the idea of making efforts to improve relations with neighboring countries, we should not neglect our basic mission and what we should always adhere to. I now have stressed the obligation for unity.

The concept of the Third World lost its significance in terms of competitive ideology. Only the gap, which continued to exist because of a division of mankind, would remain as a clear serious fact. Such a gap will raise very difficult and horrible problems in the future.

Unless such problems as the nuclear issue and the gap in wealth between the countries are resolved, the gap in international relations will be widened, thus causing various discord.

In view of this, the ROK is a state with an important responsibility. Prompted by diligence and sincere conduct, the people of the ROK entered the ranks of advanced nations only in a short period of nearly one century by freeing themselves from poverty. As a result, the overall living standard of all people in the ROK has been upgraded to a considerable degree.

While touring the Taejon Expo this morning, I again could confirm the capabilities and potential of the ROK. Thus, the ROK's brilliant development not only works as an example to all underdeveloped countries but also gives them hope.

I firmly believe that France and the ROK can greatly contribute to the economic development of many nations in firm unity based on experience and technology obtained up to present.

Accordingly, the governments and business firms of the two countries should consider under what formula they can cooperate. Through this opportunity to have a deeper understanding of each other, the ROK and France should establish a system for closer cooperation.

I regret very much the fact that France failed to have much knowledge about the ROK. In particular, I may say that the French people make fewer overseas trips than other people of the world. Therefore, in fact, they did not have many opportunities to know about the ROK.

Nevertheless, as long as there are efforts to know better and to understand each other better, the possibility of cooperation between France and the ROK is boundless.

I think France should research the ROK more. I visited the ROK this time together with four cabinet members.

I will strive to make our visit an opportunity to have a better understanding and more knowledge of the ROK. [applause]

I was greatly impressed by the vigor and vitality of the youth and students in the ROK. I also witnessed that many ROK students were learning French.

When the speaker of the National Assembly greeted me, he spoke in French. However, I cannot speak a word of Korean. I will make efforts to learn Korean, although this may remain merely as my ambition. [applause] What I can assure you is that I have the will to do so.

I will try to give many opportunities to more French youths so that they can have a better understanding of the customs, language, and culture of the ROK.

Our cooperative relations have been very satisfactory to date. However, we think we should make more efforts because our achievements are still small. The ROK's economy should now seek qualitative expansion. The ROK's economic development should not be made unilaterally. Through exchanges with foreign countries, the ROK's competitive and high-quality industry can make more enhanced qualitative expansion.

Therefore, I hope that our visit will be an opportunity to consolidate the good-neighbor friendship between France and the ROK and that the two nations will have a better understanding of each other. Needless to say, there will be a great deal of difficulties in this course. One is that there is geographical distance between the two nations. Not a small number of problems can be raised because of differences in the traditional customary practices that the two countries have followed up to the present. However, there certainly are points of mutual sympathy. They are: the safeguarding of democracy, the sense of (?independence) which took a deep root in their countries, the interest in agriculture, the attitude to preserve their customs, and, at the same time, to open it to others and accept other's custom.

Education, research activities, and creative spirit play very important roles in our culture. Therefore, I firmly believe that we can overcome all difficulties, being encouraged by such common points.

Through our current visit to the ROK, we have learned many things about the ROK. I hope that opportunities can be provided for the ROK people to have a more correct understanding of France.

Domestic and foreign guests: Through our current visit, I witnessed the ROK's potential with which it can become a genuinely great economic power in the international arena. I have discovered the ROK, which is growing as a main force capable of ensuring overall prosperity and stability in all of this area.

The ROK is a nation which is respected by the outside and which is open to others. With such outstanding national traits, the ROK will be more prosperous and be more open. I firmly trust that the ROK will soon

participate in meetings of big advanced democratic countries which are still excessively closed.

Dear Assemblymen, and domestic and foreign guests: Through our current meeting, we should provide an opportunity to advance not only the societies of France and the ROK but also the society of the entire world one step farther. This is my hope. We should not be frustrated even if disappointing results may result in the course of making such efforts. We absolutely should not retreat. The significance in your political life and national responsibility is to advance the ROK farther and to make the ROK a state where peace and genuine freedom are ensured.

Dear people in the ROK, thank you for listening to my speech. [applause]

Long live the ROK!

Long live France! [applause]

Speaks to Reporters

SK1509113693 Seoul YONHAP in English 1040 GMT
15 Sep 93

[Text] Seoul, Sept. 15 (YONHAP)—French President Francois Mitterrand said Wednesday [15 September] he will fight off any opposition against technology transfer to South Korea but that this will require years of negotiations.

France decided to return some of the Korean relics it is keeping in its national museum to strengthen cultural and economic exchanges with South Korea, Mitterrand told a press conference.

The president came to Seoul as first head of state from his country to visit here. He held a summit with South Korean President Kim Yong-sam Tuesday and agreed on various ways for stronger economic bond including joint science and technology research.

"There are opinions that France should not be transferring its technology since it would threaten its domestic industry," Mitterrand said through a translator on technology tieups with South Korea, "but I intend to pursue it to the end."

"But this does not mean that the technology will be given unconditionally. Few years of talks will be necessary," he told reporters.

It is extremely rare that France returns worldly valuable relics, Mitterrand said, referring to some 297 ancient Korean texts it took in 1866 during a military clash.

Two of them have been turned over to Seoul Wednesday evening, and Mitterrand said repatriation of the remaining relics will be decided through foreign ministers of the two countries.

He blamed North Korea for the stalemated inter-Korean dialogue, saying Pyongyang has failed to declare a clear stance on its nuclear issue.

"The world's trend is that a nuclear war is unthinkable considering global balance of power. I hope North Korea understands this," said mitterrand.

"France will put in active efforts for inter-Korean reconciliation and resolution of the nuclear situation."

ROK, French Foreign Ministers Discuss Trade

SK1509092793 Seoul YONHAP in English 0613 GMT
15 Sep 93

[Text] Seoul, Sept. 15 (YONHAP)—South Korea and France agreed Wednesday [15 September] to soon begin consultations for the repatriation of Korean texts nearly a century old.

They also agreed to resume joint economic cooperation meetings as part of bilateral efforts to increase and balance the two-way trade, which is tipping in France's favor.

Foreign Ministers Han Sung-chu and Alain Juppe discussed ways to bring back 297 texts taken by French soldiers during a clash on Kanghwa Island in 1866, when the "Hermit Kingdom" was suppressing Roman Catholicism.

It will be the first time that France has returned a cultural asset to its place of origin and it is yet to be decided whether the relics will be "permanently" leased from France or considered in the context of "cultural exchanges."

President Francois Mitterrand, the first French head of state to visit Seoul, said at Tuesday's summit that he would hand over two texts before he leaves on Thursday morning.

Foreign Ministry officials confirmed that the two texts are on their way to Seoul, but said that French officials did not specify when, where or how they will be delivered.

"The two foreign ministers agreed to start working-level consultations soon to arrange repatriation of the remaining 295 texts," Paek Nak-hwan, director-general of the European Affairs Bureau, said after the meeting.

France is believed to possess a total of 340 Korean relics, but only 297 of them have been confirmed to be at the National Museum.

The foreign ministers also agreed on early reopening of joint economic cooperation committee meetings, not held last year, and Han asked for France's attention in balancing trade.

Seoul had a 15 million-U.S.-dollar surplus with Paris in 1989 but has run a deficit ever since. The deficit recorded 361 million dollars at the end of June.

"The two foreign ministers concurred that the trade figures are not only unbalanced but too small compared to their countries' economic size," Paek said.

Han delivered Korea's concern at France's proposal on an EC external trade policy that urges reconsideration of Generalised System of Preferences (GSP) benefits for newly industrialized economies and imposes stricter trade sanctions.

He expressed his worries that such policies may undermine the global free trade system, Paek said.

Juppe threw full support for Seoul in its dealings with North Korea on the nuclear issue and promised continued coordination on the issue.

Han and Juppe called for expanded science and technology cooperation and agreed to encourage joint research projects, Paek said.

Defense Ministry To Exchange Notes in Europe

SK1509061093 Seoul YONHAP in English 0533 GMT
15 Sep 93

[Text] Seoul, Sept. 15 (YONHAP)—South Korea is to exchange memoranda of understanding with Britain and Italy on cooperation in the defense industry and logistic support, a Defense Ministry spokesman said on Wednesday.

Ministry officials will visit London and Rome from Thursday to Sept. 25 for meetings of the Joint Committees on Defense Industry and Logistic Support to exchange the memoranda.

Korea has signed such a memorandum with only Spain and France so far.

Second Assistant Defense Minister An Pyong-kil heads the Korean delegation to the Joint Committee meetings.

Alan Thomas, head of the defense export services organization, leads the British officials and Luciano Meloni, defense secretary general and national armament director, is the Italian leader.

Korea has already signed memoranda of understanding on defense industry cooperation with the two countries, but will add the words "logistic support" to them in the meetings, according to ministry officials.

The ministry will also conclude an agreement on exchange of Science and Technology data, and scientists and technicians with Italy.

In the meetings, the ministry plans to discuss broadly how to cooperate with Britain and Italy in the Defense Industry and Logistic Support, including additional support for arms systems Korea has bought from the countries.

The government's diversification of overseas cooperation in Defense Industry and Logistic Support will help

promote friendly relations as well as strengthen military diplomacy with many nations, the officials said.

The government is pushing ahead with exchanging memoranda of understanding with Germany, Russia, Indonesia and Thailand on cooperation in the defense industry while trying to conclude an agreement on exchange of the military scientists and technicians with Britain, France, Italy and Spain.

The ministry is discussing with the United States and the Netherlands conclusion of accords on quality guarantee and is working on a secret protection agreement with France, Romania and the Netherlands.

Belgian Official Arrives for Visit 10 Sep

SK1009115493 Seoul YONHAP in English 1002 GMT
10 Sep 93

[Text] Seoul, Sept. 10 (YONHAP)—Guy Spitaels, minister-president of the government of the Walloon region of Belgium flew into Seoul on Friday for an official visit.

Spitaels will attend the Walloon day ceremony of the Taejon Expo slated for Sept. 13.

In Seoul, the Belgian official will have opportunities to meet with government and business leaders to discuss ways to further strengthen the existing cooperative relations between Korea and Belgium.

The officials he will meet will include Deputy Prime Minister Han Wan-sang, Foreign Minister Han Sung-chu, Hyundai Group Chairman Chong Se-yong and Daewoo Group Chairman Kim U-chung.

Kia Group Chairman Visits Iranian President

SK1509091993 Seoul YONHAP in English 0830 GMT
15 Sep 93

[Text] Seoul, Sept. 15 (YONHAP)—Kia Group Chairman Kim Son-hong met with Iranian President Hashemi-Rafsanjani on Tuesday [14 September] and they shared views on how to support the Iranian car industry, a group spokesman announced on Wednesday.

Hashemi-Rafsanjani, meeting with a South Korean businessman for the first time, offered to send Iranian technicians to Kia for training in car assembly and asked Kim to send people to Iran to provide technical guidance.

Kim is visiting Iran as Hashemi-Rafsanjani's guest. He was invited in gratitude for a joint-venture car production project in Iran.

Paper Notes Contract 'Breach' in PRC Venture

SK1009094193 Seoul THE KOREA HERALD in English 9 Sep 93 p 8

[By staff reporter Yi Yang-hyon]

[Text] There is a growing concern that South Korean companies need to take a more cautious attitude toward establishing joint ventures with Chinese counterparts or moving their production base to China.

Recently, a small Korean company, which sought to set up a joint venture with a Chinese firm, suffered huge losses, because of the Chinese counterpart's alleged unilateral breach of the contract.

Alpha Trading Co., a small stainless steel cookware maker agreed March 23 with Changchun Investment and Trust Ltd. (CIT), a subsidiary of the Industrial and Commercial Bank of China (ICBC), to establish a \$1.85 million joint venture in Jinlin Province, northeast China, a company official claimed.

However, the Chinese counterpart did not carry out its agreed commitment without giving prior notice. "Within one month of concluding the contract, we were supposed to receive a business license from the Chinese authorities. The contract also called for the Chinese counterpart to open an L/C (letter of credit) to import machinery parts to be installed in China from Korea," said Son Pyong-ok, president of the Alpha Trading Co.

However, the Chinese company has not shown any interest in the joint-venture deal, not to mention the opening of an L/C, he argued.

He added that there was no explanation on why the Chinese company could not keep its promises.

The establishment of the joint venture, accordingly, has since been deadlocked, Son said, adding that he now has no choice but to give up his long-cherished dream of advancement into China.

Alpha has lost about \$300,000 in pushing for the joint-venture project until now, Son insisted.

To redeem his losses, Tuesday he claimed compensation for damages against the Chinese company with the Korean Commercial Arbitration Board, Son said.

However, the problem may lie with the ICBC which is seeking to set up a representative office in Seoul.

Korea and China will today sign a memorandum of understanding which focuses on easing requirements for setting up bank branches between the two countries.

The Ministry of Finance [MOF], accordingly, is sure to allow the Chinese bank to set up a representative office here, an official said.

Son urged that the Korean government reconsider allowing the Chinese bank to establish a representative office here so as to prevent the recurrence of another victim like himself.

Touching upon this issue, an MOF official said that the case of Alpha Trading should be solved on a private level.

The establishment of the ICBC's representative office here should not be affected by the Alpha case, because the CIT is operated independently with its own accounting system, away from the ICBC's direct or indirect control, the official said.

However, Son rebutted the MOF official's remarks, claiming that such a comment is due from his innocence on China's social mechanism.

"Though the CIT is seemingly run on a separated accounting system, the final decisions on all important issues of the CIT, including its joint investment with foreign counterparts, are made in fact by the ICBC," Son insisted.

The ICBC, accordingly, is sure to be directly or indirectly involved in the joint-venture case of Alpha, he said.

The ICBC in question is one of the largest Chinese banks with \$243 billion of total assets and about 480,000 employees.

* Kim Yong-sam Rejects Unconditional Unification

932C0185A Seoul CHOSON ILBO in Korean 7 Jul 93
p 3

[Article by reporter Kim Chang-ki]

[Text] The "basis for the new administration's unification policy" explained by President Kim Jong-sam at the inaugural session of the Sixth Advisory Council on Democratic and Peaceful Unification draws our attention because it exhibits a willingness to take a more pragmatic approach to the issue of unification without altering our existing policy framework, and to expand on the existing plan in a practical way.

First of all, President Kim's unification policy warns against an emotional approach to the issue, the idea of unification first and foremost, or the idea of a swift and unconditional unification. President Kim pointed out that unification without liberty and prosperity would be a far greater problem than being free and prosperous without unification. He expressly stated, "We ought not to wish sentimentally for unification without substance." His statement that "in our unified country, political and economic freedom must be guaranteed and the welfare and human rights of its people must be honored," is a precise rejection of any unification that does not guarantee freedom, democracy, and a market economy.

Such a statement by President Kim appears to be intended to draw a line unequivocally between himself and the radical theories for early unification promoted by some radical students and leftist activists, and to show the government's counter policy. The new administration's "three-phase unification plan" was clarified officially by President Kim during his keynote address to

the Pacific Basin Economic Council (PBEC) in May. It is consistent with what he advocated on the subject during his presidential campaign.

He will continue attacking the existing "one nation, one nationality unification plan." It comes across naturally that President Kim would not propose a "new plan for its own sake," in view of the fact that he is said to have repeatedly told a group of advisors during his presidential campaign that "the difficulty with unification is not a lack of good plans."

The "three-phase" unification process reflects the points of the "North-South Basic Agreement on Reconciliation and Cooperation" of 1991. The process will clearly establish "reconciliation and cooperation" in the first phase. Following that, it will accomplish North-South federation and unification respectively, which are contained in the existing unification plan. Completing the three phases would show a concrete practicality. Achieving reconciliation and cooperation in the first phase of unification and setting a goal of completing the second phase's North-South federation during one term of office shows the new government's pragmatism as it looked at unification.

The first of the three fundamental principles of unification promoted by President Kim, "respect for the democratic process," sounds like a cliche, but in fact it has an important meaning. It emphasized that "the new government is a legitimate, moral, and representative democratic government, and therefore it is a clean and legitimate regime." It displayed to domestic, North Korean, and foreign audiences the new government's confidence in its unification policy. Also, it clearly dispels the North Korean condemnation, made when the government of the Sixth Republic announced its unification proposal, that "the unification policy was that of a government supported by 36 percent of its people." President Kim, because of his popular support and legitimacy, pledges that his civilian government will not manipulate the unification policy in order to prolong and justify its existence. At the same time, he is demanding that North Korea abandon its futile attempts to promote distrust and discord in South Korea.

It is expected that the principle of "the spirit of coexistence and co-prosperity," which emphasizes coexistence through shared prosperity and rejects unconditional coexistence, will be applied in the first and second stages, for the sake of unification. In the third stage the "spirit of national prosperity," which aims for a democratic nation that guarantees liberty, prosperity, and human dignity to all, will be applied. This unification policy was outlined by President Kim at the Fifth Advisory Council for Democratic and Peaceful Unification, whose term expired on 28 June. A substantial number of the council members were replaced, and the sixth council was initiated.

In the past, most council members were from ruling party circles, but this time the council has a fresh look of

being an instrument for non-partisan, pan national unification. It has "civilian legitimacy" because it includes newly appointed members from organizations such as the Korean National Council of Churches (KNNC), the Catholic Farmers Association, and the Citizens Coalition for Economic Justice, as well as some of the activists involved in the 18 May democratization movement.

Report on 'Questionable Ethics' of Some Envoys

SK1509093993 Seoul YONHAP in English 0226 GMT
15 Sep 93

[Text] Seoul, Sept. 15 (YONHAP)—Two or three ambassadors at least are likely to be fired for questionable ethics related to their wealth and more to be reprimanded in the regular year-end envoy reshuffle. Foreign Ministry sources said Wednesday.

An internal probe is under way into all 137 grade one and higher diplomats, and about 10 of them are under scrutiny, according to inside sources.

The ministry has requested additional information on their personal assets from the Office of National Tax Administration and the Construction Ministry.

It is working to a Sept. 25 deadline, right before the Chusok holidays, set by the prime minister's office last week for all government agencies to complete their internal investigations.

But one source said the ministry, because of the exceptionally large number of subjects, may miss the deadline.

"Actions against two or three missions chiefs seem inevitable since anyone can see that their wealth was acquired through heavy speculation and other unethical means," said an official in charge of the internal probe.

Regardless of what may appear to be clear unethical conduct, the ministry will go through the due process of giving them a chance to defend themselves, this official said, and instructions were already issued for them to present their explanations.

"There may be more whose ethics will be questioned, but we have to consider the host country where these envoys are currently stationed. Except for extremely clear cases of law violations and misconduct, the rest will be quietly sorted out at the next reshuffle around December," the official said.

As to the two or three envoys facing dismissal, this official clearly said they will not be "advised" to resign but recalled and relieved of their posts.

DLP Debates Punishment Over Personal Assets

SK1509092393 Seoul YONHAP in English 0640 GMT
15 Sep 93

[Text] Seoul, Sept. 15 (YONHAP)—The ruling Democratic Liberal Party was engulfed in controversy

Wednesday over what to do with those of its lawmakers who lied about their personal assets.

Some of the DLP lawmakers who became the target of the party's punitive or disciplinary action took a combative posture, publicly declaring that they will never submit to party measures.

A number of senior party officials, meanwhile, expressed undisguised dissatisfaction with reported plans to punish dishonest lawmakers and threatened to resign from their party posts.

Rep. Cho Chin-hyong barged into the office of Chairman Kim Chong-pil's secretary at party headquarters Wednesday morning and shouted that he was being unfairly treated and that he would never accept the party's decision on him under any circumstances.

Cho, along with Rep. Nam Pyong-u, was included in a group of lawmakers whose rights in the party would be suspended temporarily for hiding or scaling down their personal assets or who have become rich through questionable deals.

Rep. Yi Hak-won, one of the lawmakers expected to be expelled from the party unless he gives up his seat in the National Assembly, said through his wife and aides that he will never leave the DLP.

On the other hand, Rep. Chong Ho-yong insisted that there was "absolutely no problem" with regard to his wealth. But he said he was willing to accept any disciplinary action, hinting that there has already been some kind of agreement between him and party leaders.

At the meeting of party post holders, Rep. Kwak Chong-chul said any problems resulting from the disclosure of personal assets should be handled in accordance with the ethics law. The party should not deal with them in a high-handed way, he said.

"It is not a crime to be rich," Kwak said. "I disclosed my assets by rough estimate, as party leaders told us to, in the first round."

"It isn't fair, therefore, if the party tries to make an issue out of some discrepancy between the amount disclosed in the first round and those for the second time," he said.

Hwang Myong-su, secretary general of the party, countered his attack, reminding the meeting that President Kim Yong-sam's government is placing top priority on the morality of public servants.

The ethics committee should, of course, carry out its work as specified by the law, Hwang said.

"But how could he say he is being persecuted unfairly after he bought plots of land all over the country under the names of his wife and offspring?" Hwang asked.

Observers say, however, some party members are revolting against their leadership because it allegedly lacks a firm basis, fairness and consistency in ways to mete out punitive action.

They point out that the party virtually expelled Rep. Pak Kyu-sik for omitting real estate holdings worth 8 billion won in his asset registration whereas it let Rep. Kim Tong-kwon go with lighter sentence of suspension of party rights even though Kim deliberately failed to list land possessions worth 10 billion won.

In any event, in-party controversy over asset disclosure is expected to persist for some time as there are quite a number of lawmakers who are harboring complaints over the party's disciplinary measures.

* DLP's New Organization Viewed

932C0188A Seoul WOLGAN CHOSON in Korean Aug 93 pp 242-252

[Article by reporter Kim Kyo-chun]

[Text] To ruling party politicians, their relationships with the president is very important. It is no exaggeration to say that these relationships are all that counts. How close they are to the highest person in authority is a decisive factor influencing their success or failure. When the Democratic Liberal Party [DLP] politicians are classified according to this standard, they can be divided roughly into three groups.

The first group consists of the close aides to President Kim. They may be called the leading force of reform. They are politicos belonging to the Reunification Democratic Party [RDP] faction, represented by Assemblyman Cho Hyong-u, former Assemblyman So Sok-chae, DLP Secretary General Hwang Myong-su, Assemblyman So Chong-won, and Minister of State Kim Tok-yong. They are not so numerous. There are only 26 of them in the National Assembly who once had their memberships in the RDP before it was merged into the DLP. Those who were elected to the National Assembly on President Kim's coattails, including Assemblymen Kim Chong-hae, Kang Kyong-sik, Son Hak-kyu, and Yi Yong-sam, may also be included in this first group although they are not former members of the RDP. These people have no connections with former Presidents No Tae-u, Chon Tu-hwan, and Pak Chong-hui. Even when they are included, the number of the first group barely exceeds 30, or slightly over 10 percent of the total number of the National Assembly seats.

The second group consists of the assemblymen with the Democratic Justice Party [DJP] background who actively get in touch with President Kim. This group is represented by Assemblymen Kim Yun-hwan and Yi Han-tong; Chong Chae-chol, chairman of the DLP Central Standing Committee; Kim Chong-ho, chairman of the DLP Policy Affairs Committee; and Kim Yong-ku, DLP floor leader. Many of the second group occupied key posts in the Fifth and Sixth Republics. Some did not

hold key posts, but they were once nominated along with those more influential people as candidates for the National Assembly by former President No Tae-u.

The people belonging to this group performed meritorious services, major or minor, in putting Kim Yong-sam in the Chongwadae and bringing his administration into being. This makes the greatest difference between them and the third group, which will be discussed later. People who fall under this category are numerous. This group has the majority in the party. The common denominator is that each of them is trying hard to win the trust of the president in their own way.

These people seem to complain that despite their meritorious services for President Kim, they have not received commensurable rewards. At the same time, they have apprehensions about their future because of their root. It is difficult to determine their accurate number, but the dominant view is that 100 or so will not be too far off the mark. By and large the assemblymen with the New Democratic Republican Party [NDRP] background led by DLP Chairman Ki Chong-pil may be classified as belonging to the second group.

The third and last group consists of former military officers and key aides to the former presidents among the so-called entrenched interest groups. They hardly match the image of the new civilian government. They had unhappy rather than happy relations with President Kim. They are the people who came into power or entered politics through the 16 May coup [in 1961] or the 17 May [1980 proclamation of emergency martial Law]. Relatives of the former president belong to the same category.

Needless to say, we cannot lump all Military Academy graduates and all relatives of the former presidents together in the category of people who became estranged from President Kim. Some of them performed just as great a meritorious service as anyone else did in helping President Kim come into power. Some of them have been reborn as a politician by subjecting themselves to the judgement of the electorate after experiencing many vicissitudes of fortune. Those who have been cleansed of their old colors may hardly fit into the third group. However, it is hardly deniable that this group has the least chance of getting nominated as DLP candidates in the 15th general election.

There is another group of assemblymen who may be included in the third group in the sense that they have slim chances of getting nominated for the next general election. They are those assemblymen who have been damaged so much by the process of audit and inspection and by the disclosure of their personal property that it is very difficult for them to rise again. In addition, those assemblymen who continually engaged in hostile activities against President Kim while belonging to the Laurel Club [Wolgyesuhoe] formerly led by Assemblyman Pak

Chol-on or to the new political organization under Assemblyman Yi Chong-chan, may be lumped together in the third group.

Currently, these three groups are acting on one another in the DLP. Their conflict of interest is so great that it can hardly be adjusted. This makes the internal situation of the DLP complicated so much. Those politicians who were just watching which way the wind blew in the early days of the new government while withholding their voice, are now slowly on the move. There are signs that a nuclear fission is taking place at the center of power. That is why to examine where the DLP stands now, it is necessary to carefully look into the inside of each of these three groups.

The moves of the RDP faction, which belongs to the first group, are a matter of the greatest concern. Their moves denote the trend at the center of power. Happenings in the RDP faction carry a far greater political significance than they did in the days before the president came into power. This is a period in which the order is being rearranged, and the dynamics of power is undergoing a change. The relative standing determined in this process will remain for a long time to come. That is why political circles are keenly interested in what is going on in the inner circles of power; and information on behind-the-scenes moves at the center of power is treated as first-rate information.

Under these circumstances, people flock around the personages who are believed to have power—in fact, these personages are the real powerhouses. Requests for favor in personnel affairs and lobbying activities are concentrated on them. The harder it is to approach them, the more fierce the efforts to establish contact with them. This phenomenon—the flocking of people around the politicians who used to be subject to persecution—graphically shows what a revolutionary change is taking place in politics in our country.

The elevation of the RDP faction, however, is a natural phenomenon arising in consequence of President Kim's coming into power. The members of the RDP faction are the meritorious servants who used to have a terrible time, subject to persecution, while working for the cause of helping Mr. Kim Yong-sam come into power. The fact that personages of the RDP faction are placed on key positions also has something to do with President Kim's personnel appointment style. President Kim tends to value integrity and loyalty more than capability. In the days when he was the head of the opposition party, he boldly placed his close associates in key posts paying little attention to the watchful eyes of the outsiders.

Even present Chongwadae Senior Secretary Pak Kwan-yong was not in Kim Yong-sam's inner circle when Pak was a National Assembly member. During the 13th National Assembly, in which he served his third term as an assemblyman, and even in the early period of the 14th National Assembly, in which he was serving his fourth term, Pak remained just a plain national assembly

member. Articles about him often appeared in the press, but nothing happened. That is why he complained: "I am the floor leader only on paper, the chairman of the Policy Affairs Committee only on paper." It was not because Kim Yong-sam underestimated his capacity but because he was suspected of still having connection with his former factional boss, current DP President Yi Ki-tae, that he was not given a key post. Yi Ki-tae refused to join the DLP when the three-party merger took place. It was not until Pak joined the DLP and devoted himself to bringing victory to the DLP in the general election that President Kim gave him a key post.

It seems that President Kim's personnel appointment style was a product of his long political experience. Most of the bright and intelligent ones among those who worked for Kim Yong-sam left him when he was having a most difficult time.

At any rate President Kim's personnel appointment style has resulted in a paucity of capable personages.

By an unhappy coincidence, following the inauguration of the new government, his key aides left their jobs under unusual circumstances. Former Minister of State Kim Tong-yong passed away before President Kim took office. But So Sok-chae was deprived of his seat in the National Assembly, and Assemblyman Choe Hyong-u resigned as LDP secretary general after President Kim came into power. The situation became serious as the most trusted aides withdrew from the front line of politics for one reason or another.

It did not take much time for the troubles caused by having to use second-rate personages to appear on the surface. First of all, the party hierarchy's grip on the party began to become loose.

When a party boss wants to have a tight grip on the party, his words need to be regarded as the words of the president himself. But such atmosphere cannot be found anywhere in the DLP. A cacophony of voices began to be heard, giving the impression that the party was in turmoil. When a vacuum of power surfaced, signs began to appear that the rivalry for power was intensifying among those party politicos who were trying to increase their power of influence in party affairs.

To cite a concrete example, Secretary General Hwang Myong-su outlined an idea of organizing a body in charge of reform, but he was ordered to withhold the idea; he also stirred a storm in a teacup when he floated an idea of banning government officials from using their private cars in commuting. Things began to get more complicated when what the secretary general was saying was out of consonance with the thoughts of the Chongwadae because each person now tries to contact the Chongwadae directly.

Under circumstances like this, the official line of command is bound to collapse. Assemblymen got confused when they did not know whose words they had to trust. This confusion was highlighted by the discordant floor

activities of some of the DLP assemblymen during the 162d extraordinary session of the National Assembly. During the interpellation session Speaker Yi Man-sop demanded without an advanced consultation with the party hierarchy that Prime Minister Hwang In-song answer a certain question raised by the opposition party. When the prime minister refused to answer because of the objection of the DLP, Assemblyman Yi hauled him over the coals and almost humiliated him.

After this happening, the DLP hierarchy continued to criticize the speaker openly for grandstanding at the expense of team work. Prime Minister Hwang for his part did not hide his grudge against the speaker for having humiliated him, the representative of the government, before cabinet members and government officials. With Sin Kyong-sik, senior secretary to the DLP secretary general, and Kang Song-chae, senior secretary to the speaker acting as intermediaries, a meeting was arranged between Speaker Yi and DLP executive officers in an effort to reconcile the feuding parties to each other. But the National Assembly and the Administration made no effort for coordination.

The fact that persons with real power remained outside the official line of command is another factor that compounded the trouble by giving rise to the phenomenon of duality. When this phenomenon appears, people tend to prefer to contact the persons with real power instead of the official contact men of the party. This social tendency—characterized by the public belief that they can get things done better by going through the persons with real power—has its long root in our political history. In a sense it represents a "wisdom" learned through past experience.

The phenomenon of dwindling power of party politicos is illustrated by the fact that "intervention" in party affairs by the outside forces, namely, the Chongwadae and the government, is gradually increasing. Reportedly, these days the DLP seldom works out any plan that needs to be submitted to the Chongwadae for approval without first consulting with Chongwadae officials.

Attention is also focused on the question of whether there is a conflict among the men of the RDP faction with real power. There is a delicate atmosphere in the making. A rumor is circulating that some conflict is coming to a head as people flock around these influential personages and as each of these personages is trying to increase his influence.

Under the triumvirate in the early days, with Pak Kwan-yong as senior secretary in the Chongwadae, Cho Hyong-u as secretary general of the DLP, and Kim Tok-yong as minister of state in the Administration, the power balance was maintained to some extent. There was no apparent conflict between Secretary General Choe Hyong-u and Presidential Senior Secretary Pak Kwan-yong. Some observers attributed this absence of conflict either to the conscious efforts on the part of these two not to interfere in each other's affairs, while others

explained that although there was a delicate tension between the two, it did not developed into an open conflict. State Minister Kim also did not interfere in party affairs at all.

However, as Assemblyman Choe relinquished his post as general secretary, things became more complicated. With the weight of Presidential Senior Secretary Pak and State Minister Pak increasing, observers began to suspect that there was a rivalry between them. Rumors circulated that the Chongwadae secretariat was not aware of State Minister Kim's reports to the president or that the state minister was playing no significant role. There was also a rumor that Senior Secretary Pak and State Minister Kim began to contact DJP assemblymen more actively than before.

According to observers, the minor conflict that existed between Assemblyman Choe Hyong-u and former Assemblyman So Sok-chae still smoldered causing difficulty to the RDP faction. Before and after the last general election Choe led the Alpine Club and So headed the Campaign Headquarters for the Practice of Patriotism.

This gave rise to speculation within the RDP faction that Chongwade Senior Secretary Pak Kwan-yong and former Assemblyman So Sok-chae, both graduates of Tong-a University, are close to each other whereas Assemblyman Cho Hyong-u and State Minister Kim are collaborating with each other on every issue. There is also a rumor that State Minister Kim Tok-yong, who leads the "Chungchong," a nationwide youth organization, was chided by Assemblymen Cho and former Assemblyman So, both his seniors among the Kim Yong-sam intimates, while trying to expand the mechanism and membership of his youth organization out of his personal ambition, although he denied the allegation.

When things became so complicated as this, assemblymen themselves began trying to do something about it. The leaders of the RDP faction met in an attempt to work out a reconciliation despite their previous self-restraints on holding such meetings. Assemblyman Cho Hyong-u, State Minister Pak Kwan-yong, and former Assemblyman So Sok-chae—the three influential persons of this faction, said to have gathered at Moknyon, a Korean restaurant in downtown Seoul at noon on 6 July. The meeting was arranged by State Minister Pak in honor of Assemblyman Choe, who just returned home completing his successful visit to China, and Assemblyman So, who was scheduled to leave for Japan to study at Waseda University as a visiting researcher.

At the meeting the three were agreed that unless members of the RDP faction united, they would all fall together. They were also agreed that while So stayed in Japan, Choe and Pak should meet together from time to time to exchange their views and discuss all issues.

Officials belonging to the RDP faction gathered at Sogyo Hotel in Seoul on the evening of 9 July. Assemblyman Cho Hyong-su was the host. Altogether 10 persons

attended the evening party. The guests were: Assemblymen Kang Sam-chae, Yi In-che, Pak Nam-chi, Kim Un-hang, Yu Sung-kyu, Son Hak-kyu, and No Sung-u; Information Minister Yi Chong-won and Vice Minister of Culture and Sports Pak Tae-kwon.

They shared the view that assemblymen of the RDP faction should not move in separate directions, but that this is the time for them to unite. In addition to discussing measures to achieve factional unity, the meeting also recognized the need to work out measures to appease the DJP faction.

President Kim Yong-sam invited Assemblyman Kim Yun-hwan to the Chongwadae for lunch on 3 July. All this strongly indicates that the efforts on the part of the RDP faction to bring the DJP faction into its fold are not something spontaneous or a move at an individual level.

The RDP faction has gone through trial-and error processes on several occasions. Lacking experience in adjusting the outpouring demands and the conflicting interests of various interest groups, personages of the RDP faction had a terrible time during the turbulence created over the issue of partial pay for hours lost on strike and during the course of handling the issue of the dissident National Teachers Union. In the past they had much experience in speaking for the demands of some particular groups, but lacked skills in adjusting the simultaneous outpouring of conflicting demands by various interest groups.

As the RDP faction began to show some symptoms that it was in difficulty, the majority DJP faction which may be lumped together as coming under the second group mentioned earlier, began to come out of their silence. After yielding their limelight to the RDP faction, persons belonging to the DJP faction remained as spectators. They were extremely careful about their behavior, saying "There is no DJP faction any more." Said Assemblyman Yi Han-tong: "The existence of the factions was officially recognized under the party constitution adopted after the three-party merger. The posts of Supreme Council members were instituted for the purpose of managing the factions. But now the party constitution has been revised, and the unitary leadership system has been in force both in name and reality. There are no factions any more. Accordingly, there is no room for the DJP faction to exist."

DJP faction members had expectation and anxiety at the same time. They expected that one day they would be given an opportunity to play their role in the forefront inasmuch as they were responsible for bringing President Kim into power and they have experience in state craft. Assemblyman Kim Yun-hwan's remarks during his meeting with Japanese correspondents in Seoul illustrate that expectation. He said: "Reform is a necessity. But reform will be followed by an era in which reconciliation will be achieved. When that time comes, people with entrenched interests will be given a role to play."

In fact, when President Kim came into power, it was hardly expected that an atmospheric disturbance would appear so soon over the party. Many believed that President Kim's strong leadership would permit no schism in the party. It is true that in the early days of the Kim Yong-sam Administration, the overwhelming public support for his reform drive precluded any voice of dissention.

Howsoever, the situation is different now. There are open criticisms of the cabinet and the ruling party, although President Kim himself are not yet their target. Signs of internal conflict began to surface while going through the shock of the first round of disclosure of properties owned by public officials. Seeing their colleagues surrendering their National Assembly seats because of their allegedly ill-gotten wealth, assemblymen associated with the old regimes came to have a sense of crisis. They were shocked when then National Assembly Speaker Kim Chae-sun surrendered his seat in the National Assembly feeling pity for "trusted aides being eliminated when they have outlived their usefulness." Former Speaker Kim is the man who contributed as much as any other senior statesman to nominating Kim Yong-sam as DLP presidential candidate.

Several assemblymen of the DJP faction were found involved in the Tonghwa Bank scandal and in the scandal involving the slot machine business. Other DJP faction members are edgy wondering when their names will crop up in the future under what circumstances and in the investigation of what other scandals. During his press conference marking his 100th day in office, President Kim made a statement that might be construed as the revelation of a plan to replace a number of DLP assemblymen through the 15th general election. No one could object to the principle that reform-minded personages should be given an opportunity to serve. But when the circumstances that forced some people to surrender their positions were created, that accentuated the feeling of uneasiness.

On the other hand, personages of the DJP faction made feverish efforts to manage the affairs of their respective local constituencies. Criticisms against the powers that be could be interpreted as opposition to the reform drive. But no one can attack anyone striving to manage his local constituency well. Assemblymen who usually spent their weekend in their local constituencies are visiting them even on weekdays.

As an example, a certain assemblyman from Inchon said: "I am spending five days a week in my constituency on an average, and drop by in the Assemblymen's Club building in Seoul to take care of business relating to Seoul." Hidden behind this all-out effort there seems to be these assemblymen's determination to run for the National Assembly as an independent in case they should fail to win a party nomination. During a drinking party, the assemblymen of the DJP faction present drank a toast, "Let's wait five years. A toast to five years from

now!" Information on this gathering is said to have been passed onto the Chongwadae.

Some assemblymen of the DJP faction is trying to regain their front seats in party affairs by taking advantage of the signs of weakening unity in the ranks of assemblymen of the RDP faction. Floor Leader Kim Yong-ku used to get involved only in parliamentary matters in a narrower sense of the words. But he has changed his stance and begun to show his interest in wide-ranging dialogues between the ruling and opposition parties and matters concerning party-government relations. Kim Chong-ho, chairman of the DLP Policy Affairs Committee, made it clear that he intends to tighten his grip when he said, "I should be consulted before making any announcement concerning policy matters."

DLP Chairman Kim Chong-pil came to Kim Chong-ho's aid when he said, "care should be exercised not to announce any policy before filtering it through the pertinent process." This statement of the party chairman is interpreted as an attempt to hold the RDP faction in check as it came at a time when Kang Sam-chae, chief of the DLP Second Office of Policy Coordination, failed to receive President Kim's approval while trying to convert the War Memorial Hall into a central museum.

The behavior of Chairman Kim, Speaker Kim, and Floor Leader Kim aroused speculation that they must have said what they said because they had received some kind of impression at their separate meetings or contact with President Kim. According to this speculation, President Kim, apprehensive of the trial-error process gone through by the RDP, must have showed them his willingness to allocate some roles to the DJP faction. President Kim is said to have been very unhappy about Secretary General Hwang's slip of the tongue and Minister Yi In-che's stand in favor of partial wages for hours lost on strike.

This development seems to have the characteristics of a strife between the old and young politicians. During a meeting to discuss ways to handle the death of Policeman Kim Chun-to, Chairman Kim Chong-pil put a brake on the moderate stand of State Minister Kim Tok-yong and other party officials on the student demonstrators and oriented the party position toward a tougher stand. This phenomenon of conflicting positions between young and old, between moderates and hardliners, does not necessarily appear in the form of a confrontation between the RDP faction on one side and the DJP and NDRP factions on the other. The party heavyweights with the RDP background, such as Assemblyman Choe Hong-u and General Secretary Hwang Myong-su, tend to prefer conservative policies.

Under these circumstances, in an effort to build up his power of influence comparable to that of Assemblyman Choe Hyong-u and State Minister Kim Tok-yong, both of whom have already consolidated their positions, General Secretary Hwang Myong-su attempted to collaborate with the DJP and NDRP factions. This move reportedly

surfaced in the process of screening the candidates for the DLP chapter chairmanships in the 13 electoral districts in which by-elections were scheduled. Apparently, the DJP and NDRP factions tried to increase their influence by supporting General Secretary Hwang on the flank.

The DJP faction expects that the time will come when its numerical superiority will demonstrate its decisive power. For instance, it hopes that it will have an opportunity to demonstrate its power at the party convention which is expected to be held in the spring of 1994.

The DLP defeat in the 11 June by-election in the Myongju-Yangyang electoral district breathed new life into the DJP faction. In the preceding 23 April by-election all the DJP candidates were elected. It is hard to raise a dissenting voice in the atmosphere of a sweeping victory like that. But the DLP lost the election in the 11 June by-election in a most important electoral district. The outcome of the election showed that not all eligible voters support the government blindly. Worse still, the RDP tried to pass the buck for having nominated the wrong man to some other people.

The DLP defeat in the Myongju-Yangyang District was not entirely bad news for assemblymen of the DJP faction who were not sure that they would be renominated in the next general election. When nomination by the DLP constitutes a guarantee for being elected, then failure to win the party nomination will be a devastating blow. These assemblymen find themselves in an environment that does not welcome such a proposition.

On the other hand, the offensive of the opposition in the wake of the DLP defeat in the Myongju-Yangyang by-election seems to be working to the advantage of the DJP faction. In the past the opposition felt ill at ease because it would be suicidal to pick on the president at a time when over 90 percent of the public was in support of his reform drive.

The silence of the opposition renders the number of National Assembly seats held by various factions meaningless. The DJP faction has the largest number of seats in the National Assembly. But its number becomes important when the influence of the opposition is felt; but it becomes useless when the general atmosphere is such that no one dares to quarrel with the government. But with the Myongju-Yangyang by-election as a momentum, the opposition party came to have hopes and began to launch a full-fledged attack on the government, giving greater weight to the DJP faction.

It is illogical to expect that the president will appoint personages of the DJP faction to key posts in the future for the simple reason that there are some signs of change. To join the center of power with President Kim at the summit, at least they have to become reform-minded. But it seems that the old guards who were once in power have not yet reached that stage. Rather than trying to actively participate in reform, they tend to stand on the side of detractors.

Despite the president's determination to continue reform and the campaign of audit and inspection without an end, personages of the DJP faction are waiting for the end of the reform drive believing that there will be an end to it. That is why it is feared that in some cases these people, even when they are given a role to play, might not follow the direction indicated by President Kim, but move in the opposite direction.

Each time a scandal is revealed in the process of audit and inspection, each time an investigation into an irregularity is carried out, some names of those assemblymen belonging to the DJP faction who once occupied key posts in the old regimes, are often mentioned. This is another reason that makes it difficult to assign these assemblymen to key posts. If personages of the DJP faction are given a preferential treatment under the present circumstances which call for an enhancement of social discipline, it may possibly be interpreted as a slackening of the determination to carry out reform or an act of evil collaboration.

It is a fact that basically, there is the issue of trust. People of the DJP faction themselves say: "As long as the public support for reform remains overwhelming, the DJP won't entertain any outlandish thought. But if the reform policy hits a snag, the situation will make a 180-degree turn." It will be difficult to readily assign key posts to the DJP faction, considering the possibility of a difficult time ahead. It is a troublesome thing that Chairman Kim Chong-il becomes a hurdle on every issue. It cannot but be a burden on the DLP that because of him, the government's new definition of the nature of the 16 May popular uprising can be used by the opposition parties as an excuse to attack the DLP, and that the confiscation of the property owned by some of the new military leaders can boomerang and the criticism of the scandal can be used by the opposition in attacking him.

The third group is a minority sub-group in the DJP faction. Members of this sub-group want to bolt the party as soon as there is a justification. Inasmuch as they regard themselves as a target of replacement in the DLP seats in the National Assembly, they believe that if they stay put, they might have to take the disaster lying down. They take the new government's reform policy as being directed at them.

They are taking the serious view of the fact that the existing DLP local chapter chairmen in the Kyongbuk area belonging to the DJP faction are being squeezed out as independent assemblymen join the DLP. They attach much political significance to the fact that Assemblymen Kim Hae-sok and Yi Hak-won squeezed out, respectively, former Assemblyman Yi Chong-mu and Kim Chung-kwon, former Chongwadae senior secretary for political affairs; and that former National Assembly Speaker Pak Chun-kyu and Assemblyman Yu Hak-song surrendered their seats in the National Assembly.

When these assemblymen get together, the question that is brought up is naturally, "Don't you think we had better bolt out as soon as possible?"

Yet they have not moved into action because they can find no justification. They are aware that if they turn their backs on President Kim under the present circumstances, it will be tantamount to declaring themselves to be a group of guardians of the old Establishment, an antireform group.

The typical event that graphically illustrates the feelings of this group is former Speaker Pak Chun-kyu's resignation as a National Assembly member. Of course, he gave his chronic illness as the reason for his resignation. Although he said he could no longer serve as a public servant for his illness, it is a known fact he has no serious health problem. But observers say that judging from all attendant circumstances, his resignation from the National Assembly should be interpreted as a move on his part to use his last trump card against President Kim.

After giving up his National Assembly Speakership, Pak Chun-kyu tried to keep his seat in the legislature despite the circumstances which made it very difficult for him to remain active in politics. He held his ground until the popularity of the DLP took a down turn, when he submitted his resignation to quit the National Assembly. It seems that his resignation from the National Assembly was a gamble. Observers say that it is rather reasonable to interpret his move as having stemmed from an attempt to recover his soiled honor and deal a blow to President Kim just in the event the DLP candidate was defeated in the by-election in the electoral district he vacated.

It is nothing new to hear people say that there is an abnormal political atmosphere hanging over the Taegu area. In the election of the new speaker of the Taegu municipal assembly, the DLP candidate was defeated. According to journalists in the field, he was defeated because he was known as a person affiliated to the RDP faction. Earlier, in the election of chairman of the Kyongbuk High School Alumni Association, the head temple of the Taegu-Kyongbuk [TK] group, former National Speaker Pak Chun-kyu was elected by a unanimous vote. A Rumor currently circulating in political circles is complicating the atmosphere surrounding the DLP. The rumor says that the opposition DP is persistently attacking DLP Chairman Kim Chong-pil, the leader of the NDRP faction, at the instigation of the RDP faction in the DLP. The opposition attack on Prime Minister Hwan In-song, who belongs to the DJP faction, is being interpreted in the same vein. According to this rumor, the RDP faction is receiving help from the opposition party because it is awkward to attack Chairman Kim Chong-pil or Prime Minister Hwan head-on.

This kind of rumor is usually floated by the mouths of assemblymen belonging to the DJP faction. They stress the fact that the assemblymen from the RDP faction

once broke bread with the assemblyman from the DP. They garnish their story with what they call the precedent—during the cleansing of the aftermath of the corruption of the Fifth Republic, the Sixth Republic fed information to the then opposition parties, the PPD and the RDP, so that the opposition parties might attack the old guards of the Fifth Republic.

Another rumor which is of a similar nature says that Yi Pu-yong and Kim Tok-yong are colluding to form a new party. Despite a denial by the two, rumors about collusion between the powers that be and the reformist force within the opposition persist. The rumored move to form a new Yi-Kim party is also related to the issue of shift in generation and the political line. The rumor about the alleged move to organize a Yi-Kim party carries the message that the 3 June generation [the generation that spearheaded the movement against the ROK-Japan normalization talks] should be the leading political force in the post-Kim Yong-sam era.

On the other hand, some people not only in the DJP and NDRP factions but also in the RDP faction do not want a radical generational shift. The assemblymen who share this opinion inside the RDP faction are the heavyweights, who lean toward political conservatism. There is the possibility that the question whether the political leadership will go to the 3 June generation or go first to the current heavyweights when the era of the two Kims comes to an end will arise as the first and foremost issue not only for the DLP and but for the whole political world.

On the contrary there is the possibility that the alienated group inside the DLP will collaborate with the opposition, that is, the possibility that the anti-Kim Yong-sam force in the DLP will collaborate with the DP to avert the danger of withering and going out of existence. By a curious coincidence, Assemblyman Yi Pu-yong of the DP is mentioned in this speculation. Some people attach a special meaning to the fact that he and Assemblyman An Mu-hyok, the key member of the remnant old guards of the Fifth Republic, toured Central Asia together to observe the condition of the Korean community there and later jointly published a book on their tour. Of course, these two assemblymen brush aside any political significance.

The opposition party cannot but be an important factor that affects the future of the DLP. Former DP President Kim Tae-chung has returned home from his overseas trip, and his return is complicating the political situation all the more.

The fact that Kim Tae-chung still has his influence intact is being clearly demonstrated. Since his return, an average of 30 to 40 visitors have called on him daily at his home. In addition to party executives, ordinary assemblymen are visiting him in groups by standing committee. Even representatives of the various private

organizations that supported him during the general election are also flocking to his home to say greetings in welcome of his return.

Despite his strong denial, some observers view his scheduled moves, such as a plan to make researches into the unification issue and democracy in Asia, as a gambit to stage a comeback. Some insist that as long as his influence remains undiminished, he should be regarded as an active politician. In their opinion, when a really difficult issue crops up, no one else but President Kim and former DP President Kim will be able to solve it.

However, observers say what is more important than all these possibilities is the inner mind of President Kim. They point out that the situation of the DLP is not bad enough to go as far as to dump President Kim himself. In their opinion, President Kim will be able to resolve the internal troubles by properly exercising his power. They think that the moves of the discontented elements in the party are nothing but a tempest in a teacup.

In fact, the president has an enormous power. Considering the political capability President Kim demonstrated when he was in the opposition, it is safely assumed that given all the sources of information, his power over personnel affairs, the public support behind him, and his present power is so awesome that it is beyond comparison with any power he held before.

Particularly, in each political crisis he resolved the political impasse with his consummate skill in the art of solving problems. Maybe, President Kim is watching the moves of political circles from a high ground, mulling over some plans which no one else can think of.

Government Proposes Pay Hikes, Defense Cuts

SK1509055393 Seoul YONHAP in English 0215 GMT
15 Sep 93

[Text] Seoul, Sept. 15 (YONHAP)—The government has proposed a pay raise of 6.2 percent for civil servants and an increase of 9.6 percent in defense spending in next year's budget.

Economic Planning Minister Yi Kyong-sik briefed President Kim Yong-sam on the government's draft of the budget on Wednesday morning at Chongwadae.

Civil service pay was to increase 3 percent in July but the raise was canceled so they could "share the pain of economic revival."

The government budget would limit hiring to 300 officials who are necessary, such as judges and prosecutors.

It sets growth of personnel spending at 8 percent, which compares with 13.4 percent this year. Proposed defense spending is 10.49 trillion won (13.1 billion U.S. dollars), up 9.6 percent from 9.57 trillion won this year.

The draft will be discussed in a vice ministerial meeting on Sept. 21 and submitted to the cabinet on Sept. 23.

National Assembly 'Getting Back on Track'

SK1309091093 Seoul YONHAP in English 0738 GMT
13 Sep 93

[Text] Seoul, Sept. 13 (YONHAP)—The National Assembly, which was derailed by a couple of opposition demands immediately after it convened a regular session Saturday [11 September], appeared to be getting back on track Monday when the Democratic Party [DP] withdrew its demands.

The DP refused to work out parliamentary procedures with the Democratic Liberal Party [DLP] unless the DLP agreed to continue the parliamentary investigations of national policies of two previous administrations and summon two former presidents to testify.

But lawmakers and executive members of the DP, stung perhaps by rising criticism in the press and among ordinary people for their negative attitude, met Monday and decided not to make the demands conditions for working out procedures for the regular session.

The ruling DLP and the DP thereupon immediately went into consultations to set procedures for the session.

President Kim Yong-sam's speech on national policy at the assembly, which had been scheduled for Monday but was cancelled in the wake of parliamentary wrangling, is also expected to be realized, sources said.

On hearing the DP's unexpected turnaround, the DLP went into high gear Monday, letting floor leader Kim Yong-ku get hold of his DP counterpart, Kim Tae-sik, while coordinating with officials at Chongwadae.

"We urge the Democratic Party to come to work out the timetable for the regular session with us even from tomorrow and hear the president's speech on national policy," said Kang Chae-sop, DLP spokesman, hinting there will be a presidential speech.

But the ruling party officially reiterated its position, saying, "the presidential speech at the National Assembly could not be the subject of political bargaining."

It thus indicated that it would not make any compromise with the opposition for the sake of normalizing the National Assembly.

Kim Tok-yong, first state minister for political affairs, said that the Democratic Party may have shown a flexible attitude as a gesture because public opinion is running against it.

Linking a parliamentary investigation to a presidential speech on the state of the nation was preposterous, Kim said.

"The opposition party should attend the assembly to hear the president's speech without any condition," Kim demanded.

DLP officials believe that the DP's sudden turnaround was prompted by adverse public opinion on the opposition party's attempt to link its demands with the presidential speech.

Many DLP officials were particularly incensed when they learned that the Democratic Party had decided to attend the assembly on Sept. 15 to hear a speech by visiting French President Francois Mitterrand.

"What would the people think when they see opposition lawmakers going into the assembly hall to listen to the president of another country while refusing to hear our own president?" They asked.

"They (DP lawmakers) should know what kind of reaction their action would cause," they added. "They will have to return to the assembly eventually."

Over at the Democratic Party, a number of hardliners were insisting that the party keep demanding continuation of the parliamentary investigation on past administrations, but they were subdued since their party ran into stiff opposition from the ruling party, which has taken drastic action in canceling the presidential speech, sources said.

The opposition lawmakers were also keenly aware that they may have to take responsibility, at least in the eyes

of the general public, for derailment of the National Assembly if the legislature continues to remain inactive, they said.

At Monday's meeting, as a result, the party agreed it should not hold up the assembly under any circumstances but should do its best to help restore normalcy.

Meanwhile, the DP decided to shift responsibility for canceling the presidential speech back on the ruling party, pointing out that its original date—Monday morning—was set unilaterally by the DLP without any consultation with the opposition.

"Some in the press have reported that the presidential speech was canceled as though on account of the opposition boycott," Rep. Pak Chi-won, the party spokesman, said. "But they were wrong."

At Monday's meeting, many DP officials wondered whether Chongwadae would fix the parliamentary timetable and procedures from now on, Pak said sarcastically.

The DP also decided to continue to press for parliamentary investigation of national policies of past administrations and the question of summoning Presidents Chon Tu-hwan and No Tae-u for testimony during government interpellation.

Burma

Commentary on Influence of Modern Communications

BK1409141193 Rangoon Radio Burma in Burmese 0420 GMT 14 Sep 93

[Commentary from 14 September MYANMAR ALIN and KYEMON by Mya Win entitled: "To Be Aware That Distribution of News and Media in Asia Is Dominated by Western Countries"—from the "Extracts of Reading Materials" program]

[Excerpts] I remember that the Nonaligned Movement [NAM] held a special summit in New Delhi, India, way back in 1976 where deliberations and attempts were made to prevent Western nations from dominating the distribution of news and the media. Mrs. Indira Gandhi was the then prime minister of India. [passage omitted referring to the late Indian prime minister's speech at the NAM summit]

At that time, the developing countries lacked the investment and the technology to overcome the dominance by Western nations in the news and media world. They decided to form National News Distribution Bureaus under the auspices of the UNESCO. But, unfortunately, the plan never materialized since UNESCO was dependent on funds provided by the Western nations, especially the United States which flatly rejected the idea.

Since satellite television receivers have been installed in Myanmar [Burma] nowadays, who owns the upcoming and popular Star TV? An Australian national named Rupert Murdoch, who holds American citizenship. Current Malaysian Prime Minister Mahathir Mohamed alleged Rupert Murdoch's purchase of 64 percent of Star TV, worth U.S.\$500 million, is without a doubt an attempt to dominate the distribution of news and media in Asia. One can imagine the influence obtained from those Asian countries if one is able to guide the peoples' ideas and views. Asian leaders have begun pointing out that the increased activities of Western nations' news media in creating instability and sowing animosity, not only in a single Asian country but in the region, is to accomplish their main neocolonialist objective of economic interference.

Malaysian Prime Minister Mahathir Mohamed pointed out that there is no Asian national-owned newspaper in Asian countries for Asian people and noted there are only newspapers owned by Western countries and published on behalf of Asian countries. Newspapers owned by Western nations have dominated the whole Asian continent. They only present news items with Western ideas and views and write commentaries with a biased outlook. In this way, rights have become wrongs and finally the prosecution has become the prosecuted. The Bengali nationals affair [Rohingyas fleeing to Bangladesh] in Buthidaung and Maungdaw Townships in

Northern Arakan State, Myanmar, happened that way. It had been a fabrication of the influential Western media's domination.

At the present time, TV and broadcasting giants CNN [Cable News network] and BBC have dominated Asia. Another Western-owned media giant, Dow Jones, who has a base in Hong Kong, is the publisher of the FAR EASTERN ECONOMIC REVIEW [FEER] and the ASIAN WALL STREET JOURNAL. This year plans have been made to open a Singapore-based TV station and launch a new program—the Asian Business News. Dow Jones is connected to Britain. It has been known that the journalist who covers Myanmar for the FEER, which is published by Dow Jones, is based in Bangkok and has been creating animosities between the Myanmar people and the government for the past 30 years. He has been engaged in such activities for 30 years up to this very day. It has also been made known that the BBC broadcasting network, which always sides with Britain and its allies and is well known for its strong criticisms about the Myanmar Government, always uses magazines owned by Dow Jones of Hong Kong as its sources. Moreover, it also uses the Western-owned BANGKOK POST newspaper published in Bangkok as its main news source. In viewing BBC's intentions regarding Myanmar, it is evident they wanted organizations influenced by Britain to attain power and through them to obtain domination in Myanmar political and economic arenas.

People, who favor Western news media, argued that the infiltration of Western news media into Asia is not for any political, economic, or social dominance but solely for the financial benefit of the companies. At present, as the economic development momentum in Asia is rising, so are the news and media businesses. Golden opportunities have risen for Western countries at this stage since Asian countries are unable to invest in very costly communications activities. Arguments have also arisen to open the way for competition to French, German, and Japanese news media in order to lessen and weaken the influence of Britain and American media operations. It could be seen in reviewing the circumstances from the time the NAM summit of 1976 adopted a resolution to collectively compete the Western media dominance up to this day the development of Asia is considerably negligible compared to the developments in Western countries.

That is why the interference and intimidation of these news media in the internal affairs of Asian countries have also proportionately increased. I have written this as a reminder for all the Myanmar people.

Cambodia

Sihanouk 'Willing' To Resume Ties With Israel

BK1409133293 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 14 Sep 93

[Statement issued by Cambodian Head of State Prince Norodom Ranariddh in Beijing 14 September; read by announcer]

[Text] Cambodia, with me as head of state, wishes to compliment the legitimate Palestinian and Israeli leaders on the reconciliation and historic agreement concluded in Washington yesterday. Cambodia, which has long accorded legal recognition to the PLO and the Palestinian state, is pleased to declare that it is willing to resume diplomatic ties at the ambassadorial level with the State of Israel if the Israeli Government wishes to do so.

[Dated] Beijing, 14 September 1993.

[Signed] Norodom Sihanouk.

Japan's Foreign Minister Arrives in Phnom Penh

*OW1509072693 Tokyo KYODO in English 0701 GMT
15 Sep 93*

[Text] Phnom Penh, Sept. 15 KYODO—Japanese Foreign Minister Tsutomu Hata arrived at Phnom Penh from Bangkok on Wednesday on the second leg of a four-day southeast Asian tour. After his arrival here, Hata flies by helicopter to the southern Cambodian port town of Sihanoukville, where 150 Japanese engineering troops are preparing to leave for home.

The troops, scheduled to fly home on September 26, are from a 600-member engineering battalion of the Ground Self-Defense Force, of whom 450 returned home Tuesday after a six-month assignment.

The troops followed a similar contingent sent last year to join the United Nations peacekeeping mission, which is winding down its 18-month operations. It was the first overseas mission by Japanese ground forces since the end of World War II.

Hata, concurrently deputy prime minister, will hold talks Thursday with Cambodian interim government leaders who are drafting a constitution to form a permanent government.

Earlier Wednesday in his 11-hour stay in Bangkok, Hata conferred with his Thai counterpart Prasong Soonsiri and paid a courtesy call on Prime Minister Chuan Leekpai.

Hata is the first minister of Tokyo's month-old coalition government to visit southeast Asia. He will return to Bangkok on Thursday evening for an overnight stay on his way home.

PNGC Cochairmen Greet SRV on National Day

*BK0209212393 Phnom Penh AKP in English 1017
GMT 2 Sep 93*

[Text] Phnom Penh AKP September 2—Cambodian co-prime ministers have extended warmest greetings to their Vietnamese counterpart, H.E. [His Excellency] Mr. Vo Van Kiet on the 48th anniversary of Vietnam's August revolution and independence day (September 2).

The message jointly signed by Prince Norodom Ranariddh and Hun Sen, co-presidents of the Provisional National Government of Cambodia, said they believed

that under the direction of the government of the Socialist Republic of Vietnam with His Excellency Vo Van Kiet at the head, the people of Vietnam would obtain greater achievements in the implementation of the national reconstruction and economic reform, thus improving the people's living conditions.

"We hope that the existing friendship and cooperation between the two countries will be consolidated and developed in favour of the two peoples' desire to share a peace and good neighbourhood," it said.

Seizing this occasion, the co-presidents wished the Vietnamese prime minister the best of health, longevity and successes in his noble tasks and the Vietnamese people happiness and prosperity.

On the same occasion, Foreign Minister Prince Norodom Sirivut has also sent a message of greetings to his Vietnamese counterpart, Mr. Nguyen Manh Cam.

Leaders Greet North Korea on National Day

*BK1109075093 Phnom Penh AKP in French 0400 GMT
11 Sep 93*

[Text] Phnom Penh 11 Sep (AKP)—Prince Norodom Ranariddh and Mr. Hun Sen, cochairmen of the Provisional National Government of Cambodia [PNGC], sent a message of greetings to Marshal Kim Il-sung, general secretary of the Workers Party of Korea's Central Committee and president of the DPRK, on the National Day of North Korea.

In their joint message, the PNGC cochairmen said:

"We firmly hope that your proposal on the reunification of the Korean motherland according to the principle of national independence with the 10-point [word indistinct] system program of great national union will pave the way for the Korean people to achieve national reconciliation and unity."

"Being convinced that our recent visit to your beautiful country will allow us to jointly work for the development of the traditional and time-honored fine relations of friendship and cooperation between our two countries, we sincerely wish you great success in your tireless and constant efforts to build and reunite the Korean motherland."

On the same occasion, Prince Norodom Sirivut, minister of foreign affairs and international cooperation, also sent a congratulatory message to his Korean counterpart, Mr. Kim Yong-nam.

Australian Military Delegation Visits 11-12 Sep

*BK1409094393 Phnom Penh National Voice of
Cambodia Radio Network in Cambodian 1200 GMT
13 Sep 93*

[Text] An Australian military delegation led by His Excellency [H.E.] Admiral A.L. Beaumont arrived at 1030 on 11 September for an official visit to Cambodia.

On hand at Pochentong International Airport to welcome the delegation were H.E. General Ke Kimyan, chief of the Cambodian National Armed Forces [CNAF] General Staff; Gen. (Chum Chheang), head of the CNAF International Relations Department; and several other generals from the CNAF General Staff office. The visit by H.E. Admiral A.L. Beaumont, chief of the Australian Defense Force, is aimed at becoming acquainted with the real situation in Cambodia, especially with the aid to be provided to the CNAF.

On the afternoon of the same day, H.E. Admiral A.L. Beaumont held cordial talks at the International Relations Department with H.E. Gen. Ke Kimyan, who welcomed his guest and praised the Australian Government and people for their endeavors and assistance in the Cambodian peace process. The Cambodian General Staff chief also briefed the Australian Defense Force chief about the development of the political situation in Cambodia from the signing of the Paris peace accord to the amalgamation of the Cambodian parties' armed forces into a unique Cambodian national army.

H.E. Gen. Ke Kimyan also told the Australian delegation that the peace process is moving toward a conclusion although some significant difficulties still remain due to the unwillingness of the Khmer Rouge party to abide by the agreement. They continue to wage the bloody war. Despite this, he added, the CNAF has been able to use their right of self-defense to protect the people effectively. There is nothing to worry about regarding the merger of the three parties' armed forces despite some difficulties, such as the lack of uniforms for the CNAF. He further said: If there is no war, it is natural that the troops should be reduced to a specific number. But we are still encountering numerous difficulties because of the continued war. Somehow, it is necessary to provide the combatants with vocational training if they are to be demobilized.

In his reply, H.E. Admiral A.L. Beaumont said he accepted the proposals made by H.E. Gen. Ke Kimyan concerning the CNAF.

After visiting Cambodia for two days, the Australian Defense Force chief traveled home on the afternoon of 12 September. Seeing the delegation off at the airport were H.E. Gen. Ke Kimyan; Gen. (Chum Chheang); Colonel (Kurd Baleine), Australian military attache in Cambodia; and many other generals from the CNAF General Staff office.

Minister Receives Belgian Aid Development Secretary

BK0609121993 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 6 Sep 93

[Text] His Royal Highness [HRH] Prince Norodom Sirivut, minister of foreign affairs and international cooperation, held talks at the Foreign Ministry in the evening of 5 September with a Belgian delegation headed

by His Excellency [H.E.] Eric Derydke, secretary of state for Development Aid of the Kingdom of Belgium.

During the audience HRH Prince Norodom Sirivut thanked the Belgian delegation for visiting Cambodia and also thanked Belgium for giving the Cambodian people aid through several nongovernmental organizations and for its contribution to the Cambodian peace process through UNTAC [United Nations Transitional Authority in Cambodia]. At the same time, the prince made a number of requests within the framework of bilateral cooperation, particularly in the fields of education, training, agriculture, public health, electricity, transportation, and sports.

In his remarks, H.E. Eric Derydke expressed thanks for Cambodia's presence represented by HRH Prince Norodom Sirivut at the entombment of the late King Baudouin I. He said that the presence symbolized the relations of friendship between the two countries and the two royal families.

The Belgian secretary of state informed the prince that the Kingdom of Belgium is prepared to help Cambodia in its development and promised to send technical delegations to conduct study and research in Cambodia soon.

The audience proceeded in a warm and cordial atmosphere.

Sihanouk Announces Official Appointments

Appoints Ambassador to France, EEC

BK0709122593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1100 GMT 7 Sep 93

[Decree issued by Prince Norodom Sihanouk in Phnom Penh—dated 31 August]

[Text] Decree:

We, Samdech Preah Uppayuveareach Norodom Sihanouk, Cambodia's head of state:

With reference to the Constituent Assembly's 14 June 1993 petition conferring special power on the Prince Head of State of Cambodia,

With reference to the Provisional National Government of Cambodia [PNGC] cochairmen's 31 August 1993 proposal, order that:

Article 1. His Excellency State Minister Hor Namhong be appointed as extraordinary and plenipotentiary ambassador to the Republic of France and EEC;

Article 2. The PNGC cochairmen be charged with implementing this decree;

Article 3. This decree become effective the day it is signed.

Done in Phnom Penh, 31 August 1993.
 [Signed] Norodom Sihanouk.

Appoints Governor to IMF

BK0809111393 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1100 GMT 7 Sep 93

[Decree issued by Prince Norodom Sihanouk; dated 31 August]

[Text] Decree:

I, Samdech Preah Uppayuveareach Norodom Sihanouk, Cambodia's head of state:

With reference to the Constituent Assembly's 14 June 1993 petition conferring special power on the Prince Head of State of Cambodia,

With reference to the Provisional National Government of Cambodia [PNGC] cochairmen's 26 August 1993 proposal, order that:

Article 1. His Excellency [H.E.] Thao Pengleat, governor general of the National Bank of Cambodia, be appointed as governor to IMF;

Article 2. Mrs. Chulong Saumura, deputy governor general of the National Bank of Cambodia, be appointed as deputy governor to IMF;

Article 3. This decree becomes effective the day it is signed.

Done in Phnom Penh, 31 August 1993.

[Signed] Norodom Sihanouk.

Appoints Governor to World Bank

BK0709125993 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1100 GMT 7 Sep 93

[Decree issued by Prince Norodom Sihanouk in Phnom Penh—dated 31 August]

[Text] Decree:

We, Samdech Preah Uppayuveareach Norodom Sihanouk, Cambodia's head of state:

With reference to the Constituent Assembly's 14 June 1993 petition conferring special power on the Prince Head of State of Cambodia,

With reference to the Provisional National Government of Cambodia [PNGC] cochairmen's 26 August 1993 proposal, order that:

Article 1. His Excellency [H.E.] Sam Rangsi, minister of finance, be appointed as governor to the World Bank;

Article 2. H.E. Cham Prasit, deputy minister of finance, be appointed as deputy governor to the World Bank;

Article 3. The PNGC cochairmen be charged with implementing this decree;

Article 4. This decree become effective the day it is signed.

Done in Phnom Penh, 31 August 1993.
 [Signed] Norodom Sihanouk

Appoints New Envoys to UN

BK0709124593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1100 GMT 7 Sep 93

[Decree issued by Prince Norodom Sihanouk]

[Text] Decree: We, Samdech Preah Uppayuveareach Norodom Sihanouk, Cambodia's head of state:

With reference to the Constituent Assembly's 14 June 1993 petition conferring special power on the prince head of state of Cambodia,

With reference to the Provisional National Government of Cambodia [PNGC] cochairmen's 31 August 1993 proposal, order that:

Article 1. Prince Sisowath Sirirat be appointed as extraordinary and plenipotentiary ambassador and permanent representative to the United Nations;

Article 2. His Excellency Uch Borit be appointed as ambassador and deputy permanent representative to the United Nations;

Article 3. The PNGC cochairmen be charged with implementing this decree;

Article 4. This decree become effective the day it is signed.

Done in Phnom Penh, 3 September 1993.
 [Signed] Norodom Sihanouk.

Sirivut Receives Malaysian Envoy's Credentials

BK1409121293 Phnom Penh AKP in English 1029 GMT 14 Sep 93

[Text] Phnom Penh AKP September 14—Malaysian diplomatic mission representative to the Supreme National Council of Cambodia (SNC) Deva Mohamed Ridzam Abdulla has been promoted extraordinary and plenipotentiary ambassador to Cambodia.

The newly promoted ambassador presented duplicated credentials in Phnom Penh recently to Prince Norodom Sirivut, minister of foreign affairs and international cooperation, as Prince Sihanouk, head of state of Cambodia, has been in Beijing for medical checks-up. Sirivut promised to deliver the credentials to Sihanouk and said Cambodia was very grateful to the government and people of Malaysia for their contributions to the peace process in Cambodia.

The ambassador expressed thanks to the Government of Cambodia for having created facilities for his diplomatic mission in Cambodia.

Sihanouk Releases Statement on State of Health

BK1009032193 Hong Kong AFP in English 0245 GMT 10 Sep 93

[Text] PHNOM PENH, Sept 10 (AFP)—Prince Norodom Sihanouk in a statement said Friday that he would not return to Cambodia this month due to impending surgery for a rectal tumor and other health problems.

"This tumor must be taken out in an operation," he said in a statement from Beijing released here by the Royal Palace.

"This new health problem, which adds to my other known problems, particularly the hardening and calcification of my arteries and blood vessels, necessitates a prolonged treatment at the Beijing central hospital," he wrote.

The tumor is at the base of the large intestine, and will require several weeks of treatment, the prince said.

Prince Sihanouk said he intends to return to Cambodia in October.

The prince is currently in Beijing having a medical check-up and had previously said he would not return to Cambodia this month as planned due to unspecified medical problems.

However, co-premier Prince Norodom Ranariddh said in a radio broadcast this week that he believed his father would change his mind and return to sign the Cambodian constitution which is due to be ratified in debate beginning Monday.

"If the process runs smoothly he may change his mind," Prince Ranariddh had said.

Khieu Samphan Sends Sihanouk Recovery Wishes

BK1409010393 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 13 Sep 93

[“Message from His Excellency Khieu Samphan, chairman of the Party of Democratic Kampuchea, to His Royal Highness Prince Norodom Sihanouk, head of state”; dated 10 September—read by announcer]

[Text] Respected Prince: All of us have been very worried upon hearing the news about your health through the message dated 9 September 1993 from the prince head of state to the clergy and his beloved compatriots.

The prince is the only one our entire nation and people have pinned their hope on and have confidence in, and who is capable of promoting national reconciliation and leading our country and nation to peace and stability, to

enable our nation and people to earn a living peacefully, the way it was able to in the 1970's.

Therefore, the prince's health is very valuable to our nation and people. The prince always thinks of the people inside the country. As the prince is aware, our entire nation and people desire recovery for the prince so that he can stay on to lead our country and nation for a long time to come.

All of us would like to join the clergy and our entire people in wishing the prince a full recovery.

Prince, please accept sincere sentiments of respect and affection from all of us.

[Dated] 10 September 1993

[Signed] Khieu Samphan, chairman of the Party of Democratic Kampuchea

Sihanouk Thanks Khieu Samphan

BK1409022793 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 13 Sep 93

[“Message from His Royal Highness Prince Norodom Sihanouk, head of state, to His Excellency Khieu Samphan, chairman of the Party of Democratic Kampuchea, thanking His Excellency Khieu Samphan and the Party of Democratic Kampuchea”; dated 11 September—read by announcer]

[Text] To His Excellency [H.E.] Khieu Samphan, chairman of the Party of Democratic Kampuchea [PDK]

Chairman: I would like to express my most profound thanks to Your Excellency and your big party for sending on 11 September 1993 a precious letter wishing me a speedy recovery and longevity.

I would like to enclose with my letter a program of my medical treatment in Beijing's hospital. Concerning a tumor Chinese doctors have observed on the large intestine, a surgery date has not yet been set by doctors because the latter want to further examine this affected area.

I think of you very much, compatriots, leaders, cadres, and all beloved members of the PDK.

I would like to wish you and all the compatriots, male and female, warmest Buddhist blessings of longevity, social prestige, happiness, strength, and enlightenment.

With high and most profound consideration.

[Signed] HRH Prince Norodom Sihanouk

[Dated] Beijing 11 September 1993

CPAF 'Self-Defense Activities' Reported

BK1409063393 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 13 Sep 93

[Text] In the past week, the Cambodian People's Armed Forces [CPAF] carried out self-defense activities and launched attacks to counter those launched by troops of the Party of Democratic Kampuchea [PDK], with continuing results and successes.

In sum, 34 PDK soldiers were killed and 418 surrendered, including 236 soldiers from Division 912, 46 from Division 980, 11 from Division 920, two from Division 417, and 123 active spies; 414 weapons were also seized. Most of these results and successes were from Siem Reap, Banteay Meanchey, Kompong Cham, and Kompong Thom Provinces.

Among the CPAF units that recorded these achievements was Division 4, which defended well and firmly expanded its positions in Stoung District, Kompong Thom Province. Regiment 43 firmly defended its positions east of Angkor Chum District. Divisions 5 and 296, also stationed in Angkor Chum District, achieved good results in persuading PDK troops to return to the fold.

Sources also say that in Dambe District, Kompong Cham Province, the CPAF recently carried out self-defense activities, killing five PDK soldiers and welcomed 101 awakened people, including nine from PDK Division 920 and 92 active spies; 127 weapons, two vehicles, two chain saws, and a motorized plow were seized.

Indonesia**Editorial Views Automotive Industry Deregulation**

BK1409153593 Jakarta SUARA PEMBARUAN in Indonesian 2 Sep 93 p 2

[Editorial: "The Deregulation Measures for the Automotive Industry and the Appreciation of the Yen"]

[Text] The issuance of deregulation measures for the automobile industry in May and June 1993, prior to the appreciation of the yen, did not bring about any change in the prices of cars in the country. Lately, since the value of the yen has risen, used car sales at Jakarta's automobile trading centers are marked by increasing demand and higher prices.

There was a decline in the demand for cars last year and during the first six months of 1993. This was because consumers tended to adopt a waiting attitude for automobiles, hoping that the deregulation of the automotive industry would reduce the prices of motorized vehicles. It was this inclination among would-be car buyers in this country that made a certain group of people become frustrated and cynical toward the deregulation measures. They became more critical about the new measures when

the price of locally-assembled two-wheeled Japanese-based motorized vehicles went up after deregulation.

When we examine the deregulation measures for the automotive industry carefully, we realize that we cannot expect deregulation to influence the price structure for vehicles directly. This is because apart from the high import tariffs and surcharges, local automobile companies still have to pay the value added tax for spare parts and components. If more locally-produced components are used in assembling the cars, the price of the cars will go down, because in the import tax on each of the components can be reduced.

The problem that we are facing now is that the automotive industry in this country has not yet fully developed to the point that a large number of components for the assembly of motorized vehicles can be manufactured locally. If this were the case, the price of cars could be reduced. We must bear in mind that auto parts are produced locally on a relatively small scale now. About 10,000 different parts must be assembled to make 100 types of automobile components, such as machines, transmissions, suspension cables, and others.

It is true that the new measures lifted the ban on the import of completed sedans. Domestic car assemblers, however, are still facing protectionism in the form of strong tariff barriers, so that the deregulation measures have not had any impact on the price of locally-assembled cars. These stimulant factors have contributed to the diminished hope for a reduction in the price of motorized vehicles. As a matter of fact, under this situation, the automobile market in Indonesia is easily affected by speculative issues that push up the prices of new and used cars.

The prices of cars from the old stock, whose orders were placed a few months ago under the value of the yen of that time, have now been increased following the appreciation of the yen over the last few weeks. Apart from a speculative action and a motivation to gain more profit, the increase in the prices of cars are also being promoted by the desire to protect the prices of their spare parts. The funny thing is, the prices of non-Japanese brand used cars are also going up even though they are totally unaffected by the appreciation of the yen.

On the other hand, the Japanese are also not in favor of the appreciation of the yen. The cost of production in Japan will rise and workers will demand higher wages. Even though its imported commodities will be cheaper, its export products will be more expensive. In the meantime, other countries are putting pressure on Japan to open its domestic market so that it will become difficult for its government to protect its local industries.

These factors would encourage Japanese investors and industrialists to immediately relocate their industries, including the automobile component industry, outside Japan. Indonesia could most likely take advantage of this factor to promote its automobile component industry. Even though protectionism is one of the causes of the

high price of cars, prices will not be reduced as long as the automotive industry does not reach a certain level of efficiency.

The automotive industry could achieve an efficient level, if it is given top priority, in such things as tariff incentives for the manufacture of category 1 commercial vehicles that come under the lower price class. There are now about 260,000 units of six types of commercial vehicle makes (1991 figure) listed under category 1 that are competing in the local market. Their number is considered too high; the economic scale for them should be about 150,000 for each make.

Considering that the local market potential is only for 260,000 units per year, to reach an efficient economic production scale only one make of category 1 commercial vehicles could be manufactured. In this way, would the other five makes of vehicles have problems marketing their products, or would they be willing to sell the vehicles by adopting the tenders system? Would the sole sales agent for a vehicle form a consortium to promote the vehicles, including the designing and the planning of vehicle models to be manufactured? Once the vehicle make becomes the most popular, the vehicle should be protected within a limited period. The other vehicle makes would be traded only within a segment of consumers.

Indonesia can also manufacture one or two car makes for export, and these cars should be protected like the selected commercial vehicle make. In this way, Indonesia would not just have car assemblers, but also new automobile designers and technologists. In other words, the sales agent should be brave and shed the image of being a trader-assembler in order to become an industrialist who can really operate the automotive industry independently and efficiently and bring in much-needed foreign currency.

Suharto Urges New Economic Strength

BK1309023193 Jakarta KOMPAS in Indonesian
3 Sep 93 p 4

[Editorial: "Indonesia Should Establish Vibrant Economic Strength"]

[Text] Indonesia should maintain, bolster, increase and further establish its new economic strength. In widening its economy, Indonesia should adhere to the market economy regulations, but nothing should be left to be determined by the market economy. The country should not allow national economic forces to independently compete with others, which could bring about its abrupt demise.

This was President Suharto's reminder when he inaugurated the Trade Department's national workshop session on Tuesday.

In fact, this reminder was connected with the head of state's national address on 16 August. In his address, the

president dwelt on the targets to be achieved during the next 25 years. During the Second Long-Term Development Program (PJPT II), the national economic growth should be at an annual seven percent level. The current per capita income should accomplish a four-fold increase by the end of the PJPT II and the per capita income should be on the same level as the newly industrialized nations. If the per capita income currently stands at U.S.\$650, by then it should stand at U.S.\$2,600.

In our effort to acquire the goals during the PJPT II,—the latter which consists of five development programs, (from the Sixth to the 10th Development Program)—it is essential for Indonesia to foster, bolster, and establish its new economic strength as called for by the head of state. We are not out of line in saying that Indonesia needs to achieve the target of an annual seven percent economic growth and the increase of its per capita income of U.S.\$2,600 in its determination to establish its new economic strength. Reasonably speaking, success in achieving these two objectives would absolutely depend on the business circles—in a wider sense of the meaning—this would extend from rice farming production right up to the conglomerates. In brief, it would be fully dependent on the nation's entire economic sector.

In the process of establishing the country's new economic tenacity and equilibrium—starting with the major, medium, and small-scale industries—there would surely be numerous economic regulations. There would also be numerous rises and falls of several economic activities, including huge losses and the termination of economic activities, within the upcoming 25-year period. Unquestionably, this would occur due to the dynamic economy, which would be carried out through a fair and just competition. But we also considered an alternative point from the head of state's reminder, which is the predicament that could materialize if our existing economic strength were completely exhausted.

That was why President Suharto stated that we should not allow the market strength to entirely determine any factor. Therefore, in our opinion, total authority lies with the government to negate such an action.

The government will definitely not allow such an event to happen, and that is the reason, among others, why the authorities are currently drafting regulations to protect the medium- and small-scale industries. There is a possibility that regulations would be drafted with regard to competitiveness.

The government's plans would be targeted toward permitting business circles to exist within a healthy situation in establishing the formidable new economic strength at all levels. But, as President Suharto stated, it would be fatal to restrain economic strength.

Restraining the fortification of our intra-economic strength will unquestionably prove to be unprofitable for our national economy. With the era of globalization

becoming more vibrant, the competition and determination to establish new economic strength by various nations has become more challenging and heated. In gaining access to markets, attracting investments, acquiring technology, becoming creative and innovative, weaker nations will definitely be left behind.

That is not all. A country's defeat in economic competitiveness at the global level, making it backward, would mean that the country had not satisfied its people's desires with regard to the commodities and services of its own economic strength. Such a view would be opposed because the current and future era of globalization still remains obscure due to limited economic achievements. Such a situation would be meaningless for people, who would be a part of a "huge" village.

Thus, viewed from the point of view of Indonesia's interest in achieving its desired aspirations, we need to consider the notion that in future all the country's resources (natural, human, and financial) will become world property. Those who gain (the economy or the business sector) will do so themselves. The ability to obtain such gains will become more projected for the sake of the world community's prosperity and well-being.

We touch on such an issue in our effort to determine whether we have the ability to establish our new economic strength during the oncoming 25-year period at our own rhythm and pace. We alone can make the decision.

Minister Stresses Investment During Sixth Plan

BK1009074593 Jakarta THE INDONESIA TIMES in English 1 Sep 93 p 1

[Text] Indonesia needs Rp. [rupiah] 700 trillion of investment for the sixth national development plan, 70 percent of which is expected to come from the private sector, the state minister of national development planning/chairman of Bappenas [National Development Planning Board], Ginanjar Kartasasmita, said here yesterday.

Speaking at a working meeting of the Trade Ministry, he added that to achieve 7 percent growth during the second long-term national development, economic growth during the sixth national development plan should be 6.2 percent per annum. If this is achieved, income per head (nominal) at the end of the sixth national development plan will be U.S. \$ 1,000.

Ginanjar said that sectorally, to achieve 6.2 percent economic growth per annum, the agricultural sector should increase 3.4 percent per annum, the processing industry 9 percent per annum, and services 6.6 percent per annum.

In line with the economic growth, imports will increase.

He said that to finance these, exports should also increase. During the sixth national development plan, non-oil and non-gas exports are expected to increase by

16.5 percent per annum at least including processing industry exports which are expected to increase by 17.5 percent per annum.

Ginanjar stressed the importance of developing industrial strategy and of mastering technology and of following market changes. We should be aware of an export strategy that lays emphasis on natural resources, he said. He continued that now, nearly all export advantage products are not of raw materials. We should be aware that a big volume and cheap labour will not promise export sustainability because of the easy transfer of industry (foreign capital investment, in particular) to other countries having a big labour force. We should think big in order to compete in the international market through industrialization, he said.

Daily Calls on PDI To Unite

BK1309155393 Jakarta SUARA PEMBARUAN in Indonesian 1 Sep 93 p 2

[Editorial: "A New Episode for the PDI"]

[Text] Finally, a new episode has been opened for the Indonesian Democratic Party [PDI] in effort to end the crisis in the party that has been going on for some time. The crisis is brought about by the members' differences in opinions. The PDI's caretaker board was formed at a meeting of its leaders in Surabaya to solve the problem. The caretaker board will organize the next party's extraordinary congress. We wish the chairman of the party's central executive board, and [former secretary general of the board] Nico Daryanto, all the best for not opposing the formation of the caretaker board, even though they did not agree to the idea. We appreciate their democratic attitude.

The PDI has become important to us, because the PDI and the Indonesian United Development Party (PPP)—a political party, as well as the Functional Group (Golkar)—a social organization, are the backbones of the development of democracy in Indonesia. Without the existence of PPP, PDI, and Golkar, it would be difficult to create a society with a balance of forces. A balanced force is the power that controls society, whereby a difference of opinion is not a taboo but what makes the democracy dynamic.

Over the last few months, the PDI crisis has revolved around at least three issues. The first issue, as has been pointed out by Sabam Sirat, is the unstable condition of the party that allows for the emergence of "chameleon" politicians who have no firm principle. Sabam's statement has a profound philosophical meaning because a chameleons' color changes according to its background. Therefore, it is supposed that chameleon politicians do not have any color, inconsistent with the essence of their struggle.

Abdurrahman Wahid, chairman of Nahdlatul Ulema Islamic Organization, identifies chameleon politicians with people who mingle with those that hold power. By

this, we mean to say that these politicians are looking for support from the government or are trying to topple their opponents by asking the government to lend a hand to achieve their objective.

If we continue to analyze this factor, we will find that these politicians can be divided into two groups. The first group is comprised of people who do not have any base and identity, so they look for "support" so that they can occupy a certain post. The existence of such people in the party could cause an uncoupling between the aspirations of the people that they are supposed to channel and their struggle as politicians. These types of people are called deceitful community leaders.

The second group is comprised of people who already established their base and whose identity is clear, but in reality they expect to command loyalty from the people they represent for what they have done for the people. They want endless support from these people so that they can occupy a top place in the party. However, they face two risks: either they continue to receive support from those people, or those people will not like them anymore.

The second issue is the role of the government in the development of national politics. Being the authority that is in power, the government has the opportunity to create political awareness among the people. In view of this, we hope that the government will truly use its capability to ensure a healthy development in the PPP, Golkar, and PDI. It is hoped that no one considers the development of democracy as an obstacle to the development of the economy. In fact, the development of democracy should be considered as the promoter of the national economy.

The third issue is the future development of political parties in Indonesia including Golkar, PDI, and PPP. This issue comes to the surface as a result of the development achievements so far. For example, the national development that is implemented by the government and the educated society, has given birth to a new generation of people who are more faultfinding, more capable of evaluating the good and the bad, and are confident enough to adopt a critical attitude.

The development achievements are also the source that brings improvement to the people's welfare, higher purchasing power, and thirst for accurate information. All the development products in turn become the potential and the promoter of democracy. In this regard, Indonesia's three political organizations are institutions that play their roles in the process of democratization.

A critical society that traditionally adopts a more educated way of thinking will be more projected in our political life. Even now, the existence of young professionals working in the private enterprises is proof of the fact that there are more people who are educated and can think wisely. The managerial circle has advanced to such an extent that there is a reward and punishment [preceding three words in English] system that gives

rewards to those who are productive and cuts the salaries of those considered to unproductive.

Under such a system of social life, a factual representation is required, especially now that the people are more aware of the need to pay up their due tax. The time will come when the Indonesian society will demand bureaucratic efficiency by making slogans like the Americans used to do: No taxation without representation, [preceding four words in English] and refuse to pay taxes if the people's aspirations are not fulfilled. This is one of the roles that PDI, Golkar, and PPP have to play in the future. In view of this, we hope that PDI will be aware of the role it has to play in society. We call on the PDI members to unite and stop forming groups within the party.

Fishermen on Taiwanese Vessel Detained in Palau

BK1209150593 Jakarta SUARA PEMBARUAN in Indonesian 31 Aug 93 pp 1, 4

[Text] Jakarta, 31 Aug—A total of 14 Indonesian fishermen working on a Taiwanese fishing vessel leased to the Jakarta-based PT [Company Limited] Minareka Quarindo (Minaqua) and a crew of five Taiwanese, are under detention in the Republic of Palau and are about to face trial.

The fishermen from the vessel flying the Indonesian flag have been accused of violating the fishing law on territorial waters by entering the Helen Reef, which belongs to an island in the Pacific Ocean. They have been arrested for illegal fishing.

When contacted via telephone by PEMBARUAN on Saturday (28/8) afternoon, Pastor Romeo Del Rosario, owner of an office in Koror, the Republic of Palau, explained that a police patrol detained the vessel while the crew was fishing on 27 June.

The vessel was later towed away to Koror and about a ton of fish caught by the fishermen were found in it. The vessel was then anchored at the port beside police patrol boats. The fishermen will have to face charges in a local court.

Pastor Rosario, a resident of the Republic of Palau for seven years, has been keeping track of the vessel's movement. He said that out of the 14 Indonesian fishermen, eight are residents of Sorong, Irian Jaya Province. The others are comprised of three from Maluku, two from Southeast Sulawesi Province, and one from Central Java.

The Indonesian fishermen and Taiwanese crew of five have attended two court hearings. At the first hearing, they were charged with entering the Republic of Palau illegally without immigration documents, illegal fishing, and theft of the nation's marine resources.

At the second hearing, they were found guilty of all the charges, detained, and prohibited from leaving the

country. They have also been kept under police surveillance and fined US\$500,000. Their vessel has also been seized.

Mr. Kevin Kirk, the American defense counsel for the fishermen has sent a letter asking the Indonesian Government to request the Pulau court to reduce the fine to US\$30,000 and to return the vessel.

The pastor, through PEMBARUAN, said he would like to call on Indonesian fishermen and fishing vessels entering the Pacific Ocean from the northern part of Irian Jaya to be careful when entering the Republic of Palau's territorial waters. He said this is because once they are caught for illegal fishing, they will be charged under that nation's law. The fines are high and they will be detained.

Ir. [Engineer] Sutrisno, director of Minarika Quarindo, has confirmed that the 48-ton Taiwan-registered fishing vessel has been leased by his company for three months and has been operational since 5 June.

In a telephone interview with PEMBARUAN on Saturday (28/8), Sutrisno said "Our company takes full responsibility for whatever has happened to the fishermen, the vessel and its crew."

However, he did not elaborate on what steps will be taken to help the crew of five, who are now under court detention in the Republic of Palau.

Laos

Last Funeral Rite Held for Somlat Chanthamat

BK0709134593 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 7 Sep 93

[Text] This afternoon in Vientiane, the chairman and members of the committee in charge of the funeral of Comrade Somlat Chanthamat held an official funeral ceremony for the late member of the Lao People's Revolutionary Party Central Committee [LPRP CC] Political Bureau and chief of the LPRP CC Propaganda and Training Board. In attendance were: Khamtai Siphandon, chairman of the LPRP CC and prime minister of the Lao People's Democratic Republic [LPDR]; Nouhak Phoumsavan, member of the LPRP CC Political Bureau and president of the LPDR; comrade members of the LPRP CC Political Bureau; and advisors and members of the LPRP CC. Comrade Nguyen Duc Binh, member of the Political Bureau of the Communist Party of Vietnam, and his entourage also attended the ceremony, as did the LPDR ministers and deputy ministers, the governor and lord mayor of Vientiane Municipality, and other important figures.

Oudom Khatthi-gna, member of the LPRP CC Political Bureau in charge of party mass work and chairman of the committee in charge of the funeral of Comrade Somlat Chanthamat, read an eulogy for the late member of the

LPRP CC Political Bureau and chief of the LPRP CC Propaganda and Training Board.

SRV Sends Condolences

BK0709032593 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 7 Sep 93

[Message of condolences from the Communist Party of Vietnam Central Committee to the Lao People's Revolutionary Party Central Committee—dated 4 September]

[Text] We are deeply sad and grievously mournful to be informed of the passing away of Comrade Somlat Chanthamat, Political Bureau member and head of the Propaganda and Training Board of the Lao People's Revolutionary Party [LPRP] Central Committee. Comrade Somlat Chanthamat was a trustworthy leader of the LPRP and the multiethnic Lao people. He has greatly and significantly contributed to the cause of building and defending a peaceful, independent, democratic, unified, and prosperous Laos. Comrade Somlat Chanthamat was also a close friend of the Vietnamese people. He has positively contributed to the strengthening and development of the friendship relations and special solidarity between the two parties and two peoples of Vietnam and Laos.

We would like to share our very profound sorrow with the LPRP Central Committee, the multiethnic Lao people, and the bereaved family of Comrade Somlat Chanthamat.

Sisavat Keobounphan Thanks PRC Counterpart

BK1109072993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 11 Sep 93

[Text] Sisavat Keobounphan, minister of agriculture and forestry and concurrently chairman of the Laos-China Friendship Association, recently sent a telegram of thanks to (Li Zhen), chairman of the China-Laos Friendship Association, in Beijing.

In the telegram, Sisavat expressed his sincere thanks to his Chinese counterpart for the congratulatory message extended to him on his appointment as chairman of the new Executive Committee of the Laos-China Friendship Association.

The Lao minister reiterated in his message: I, as well as all committee members of the association, will try all out in coordination with the China-Laos Friendship Association to contribute to promoting the traditional friendship between the Lao and Chinese peoples.

Repatriated Refugees Total 2,606 by Late Aug

BK1009143093 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 10 Sep 93

[Text] From early this year to late August, 2,606 Lao refugees voluntarily returned to their native villages. Of

these, 2,332 were repatriated from Thailand, 265 from China, six from France, one from Switzerland, and two from the United States. Mirza Hussian Khan, representative of the United Nations Office of High Commission for Refugees [UNHCR] to Laos, has revealed that before the end of this year, eight more groups of Lao refugees will be repatriated from foreign countries—six from Thailand and two from China.

According to an initial review, from 1980 until the present, 17,329 Lao refugees have returned home voluntarily. Of these, 14,634 were from Thailand, 2,609 from China, and 86 from other countries. Another report said that on the afternoon of 7 September, a ceremony was held at the Tha Deua immigration station in Hataifong District, Vientiane municipality, to accept 45 more families of 151 refugees who have volunteered to return to their hometown. These refugees are citizens of Vientiane municipality and Houa Phan, Bolikhamsai, Xieng Khouang, and Vientiane Provinces.

Philippines

Westinghouse Offers Out-Of-Court Settlement

HK1309025493 Manila *THE MANILA CHRONICLE*
in English 9 Sep 93 p 6

[Report by Manny Mogato]

[Text] Westinghouse Electric Corp., the builder of the controversial Bataan Nuclear Power Plant (BNPP) has offered to construct a 150-megawatt non-nuclear power plant anywhere in the country in exchange for the dropping of two cases the government had filed against it in New Jersey, U.S.A. and in Geneva, Switzerland.

The offer also includes payment of an unspecified sum and trade credits for other power-related projects in the country, according to a member of a presidential committee on Bataan Nuclear Power Plant (BNPP).

Committee members said the Westinghouse offer was not attractive and may recommend to the President to pursue the cases—one was an appeal in a U.S. circuit court for a bribery case which government lost last May in New Jersey and another arbitration case in Geneva which is about to be heard starting this month with the inspection of the BNPP in Morong, Bataan.

A member of a presidential committee, which will review the agreement reached between government negotiators and officials of Westinghouse, said the repair, rehabilitation and operation of the mothballed nuclear power plant in Morong, Bataan was not included in the new agreement.

Westinghouse has also offered to construct a 150-Mw power plant in the country, which will be determined by the Philippine panel.

The presidential committee, headed by former senator Vicente Paterno and Meneleo Carlos, met last night to review the agreement reached after a three-day negotiation.

The committee will recommend to the President its own findings on the agreement whether it was fair and advantageous to the country. The President has stressed the importance of a "fair commercial settlement" during the negotiations which began Monday.

Based on the committee's recommendations, the President will decide to pursue the case or withdraw the government's cases against Westinghouse and accept their settlement offer.

Solicitor General Raul Goco, a member of the presidential committee, said the primary concern of their group was to ensure that the agreement reached between the negotiating panel and Westinghouse officials "will not sully the honor of the country."

"We will check if it meets our requirements," he said.

Ramos Orders Counteroffer

HK1309031693 Manila *MANILA STANDARD* in English 12 Sep 93 p 3

[Report by Merlinda Manalo]

[Text] Butuan City—President Ramos has ordered Energy Secretary Delfin Lazaro to come up with a counter-offer to the proposed out-of-court settlement presented by Westinghouse Electric Corp to amicably settle the cases filed by the Philippines against the firm involving the mothballed Bataan Nuclear Power Plant [BNPP].

"The counterproposal is now being prepared by Del (Lazaro)," the President told reporters traveling with his party to this province.

In a letter dated August 19, Westinghouse asked the President for new negotiations on the possible out-of-court settlement of the bribery case filed by the government against the U.S. firm before the New Jersey Federal Court and another suit filed before the International Arbitration Court in Geneva, Switzerland involving the BNPP.

Although the government lost the case in New Jersey, it has undertaken steps to appeal the case and is pursuing the suit for breach of contract against Westinghouse in the Geneva court.

Lazaro refused to disclose details of the offer made by Westinghouse, but according to him, it was "substantially lower than the one we received last March" during the first negotiations for an amicable settlement of the bribery case.

A Malacanang official who had studied the offer, said that it involves the construction of a 150-megawatt non-nuclear power plant plus some credits to buy spare parts for the facility and some cash.

This was substantially lower than the initial offer of Westinghouse to build three gas turbines with a total capacity of 300 megawatts and cash.

The President said that there were two factors to be considered in coming up with the counter-proposal to Westinghouse's offer: the political issue, which means that the government's counter-offer should be acceptable to the people, and the economic side of the question, which pertains to the money involved if the Philippines decides to drop the negotiations and opt to pursue litigation.

Solicitor General Raul Goco, was inclined to settle the issue out of court, since according to him, in Geneva alone litigation expenses would reach \$4 million.

The current talks between the two parties are headed by National Electrification Administration chairman Emmanuel Pelaez and Westinghouse general manager Thomas Mistier.

Lazaro had actually anticipated the lower offer submitted by Westinghouse since the government had lost the bribery case in New Jersey and had to bargain on a "weakened position."

If the government wins the Geneva case, it will get back \$26 million in damages.

Power Firm Bans Equipment, Technology

HK1509070593 Manila MANILA BULLETIN in English 15 Sep 93 p B-1

[Report by Ellen S. Marcelo]

[Text] The state-owned National Power Corp. (Napocor) has imposed a condition to proponents of existing and future power projects to replace any Westinghouse equipment and technology that they would utilize amidst the impasse on negotiations for an out-of-court settlement on the Bataan Nuclear Power Plant (BNPP).

Energy Secretary Delfin L. Lazaro, however, maintained that Napocor is not blacklisting Westinghouse, recognizing its possible implication in the event that this becomes a trade issue between the Philippines and the United States. "We just want to let them (Westinghouse) know that there's a cost to their business," Lazaro said.

"This is normal when you are in litigation with a particular company to strengthen your position," according to Lazaro.

He added that Napocor should have resorted to this two years ago when the Hopewell gas turbine project might not have been a Westinghouse brand. Hopewell Power (Philippines) spent some \$40 million for the Westinghouse equipment.

Hopewell, which is undertaking a \$900 million coal-fired power plant in Batangas, was supposed to use Westinghouse generator for the project but was already formally cautioned by the Napocor.

Based on a resolution approved by the Napocor board on September 13, 1993, the power firm has required all bidders in the Sual, Masinloc, Mindanao, Geothermal and all other power projects including those already under construction such as the Pagbilao coal-fired plant to identify all Westinghouse supplies, equipment and parts as well as licensed technology involved in these projects.

Specifically, the board asked that project proponents look for alternatives to the Westinghouse products and technology and determine the cost of the required replacements.

Lazaro explained that the requirement would have to be applied for existing and future projects of Napocor indefinitely.

While the talks for a possible out-of-court settlement of the BNPP case were not officially terminated yet, the negotiating panels have not decided on a schedule for the next round of discussions after Westinghouse Corp. submitted a substantially lower offer to the Philippine government.

Lazaro admitted that he expected something lower than what was offered by Westinghouse in March this year following the country's recent setback in the bribery case in New Jersey, USA.

Westinghouse then offered three gas turbines with a combined capacity of 300 megawatts worth \$75 million. Napocor would have to shoulder the cost involved in connecting the 300-megawatt facility to the grid.

"The talks were conducted in good faith with attempts to reach a fair commercial settlement, but each party has different views as to what is fair," Lazaro said.

The Presidential Committee on the BNPP is currently formulating the government's response to the offer presented by Westinghouse.

"The government's response may or may not mean a counter-offer," Lazaro said as he refused to elaborate pending the decision of the Philippine panel.

While those talks are on-going, he also assured that preparations for the legal proceedings have not been compromised.

Economic Opportunity Seen in South Africa, Mideast

HK1509051893 Manila BUSINESS WORLD in English 15 Sep 93 p 16

[Text] The Philippines is poised to take advantage of commercial and economic opportunities in South Africa, Palestine and Israel once the political situation in these countries stabilizes. Foreign Affairs Undersecretary Rodolfo Severino yesterday said. He pointed out that once that peace accords between Israel and Palestine

show positive developments, Filipino business leaders should be ready to explore the vast opportunities the two countries could offer.

The Foreign Affairs undersecretary noted that the Philippine Government hopes to "cash in" on the construction and service-related industries in these countries. The United States is set to pour in financial assistance to Palestine to help reconstruct its national economy. "If the U.S. assistance will make Palestine prosper, then we can take advantage of the international opportunities it has to offer. That means we have to be competitive," Mr Severino said.

In the case of South Africa, Mr Severino remarked that once racial equality has been achieved in that country and the United Nations sanctions have been lifted, the Philippines will start organizing trade missions to visit the country. He said the Department of Foreign Affairs is closely monitoring political developments in South Africa, particularly Pretoria's forthcoming multi-racial elections in April next year. Observers are expecting that African National Congress leader Nelson Mandela will become South Africa's next President, thus paving the way for the lifting of U.N. sanctions against South Africa.

Businessmen To Join Ramos on Indonesia Trip

HK1509060393 Manila MANILA STANDARD in English 15 Sep 93 p 5

[Text] President Ramos will bring along eight members of his Cabinet, three Governors and members of Congress from Mindanao when he goes on a state visit to Indonesia on Sept. 20-24. The President will also be accompanied by his wife, First Lady, Mrs. Amelita Ramos, four of her daughters and their respective spouses, excluding Jo Ramos who is still single.

As in his previous state visits, the President will bring along a delegation of private Filipino businessmen. Department of Trade and Industry (DTI) Secretary Rizalino Navarro yesterday disclosed to Standard a total of 80 Filipino businessmen, 30 of whom come from Mindanao, are joining the state visit to Indonesia. The Filipino businessmen delegation is headed by former Sen. [Senator] Vicente Paterno.

The official Presidential party is composed of Navarro, Foreign Affairs Secretary Roberto Romulo, Agriculture Secretary Roberto Sebastian, Economic Planning Secretary Cielito Habito, Transportation and Communications Secretary Jesus Garcia, Science and Technology Secretary Ricardo Gloria, Environment and Natural Resources Secretary Angel Alcala and Press Secretary Jesus Sison.

The secondary party includes Sen. Santanina Rasul Congressman Simeon Datumanong of Maguindanao, Gov. [Governor] Prospero Amatong, Gov. Mahid Mutiam, Gov. Linningding Pangandaman of Autonomous Region for Muslim Mindanao, and Mayors Ludovico

Badoy of Cotabato City, Alejo Yanes of Iligan City, Vitaliano Agan of Zamboanga City, Pablo Magtajas of Cagayan de Oro City and Rodrigo Duterte of Davao City. Also included in the party are Presidential assistants Paul Dominguez for Mindanao and Rhepp Pelaez for Visayas, former Ambassador Manuel Yan, chairman of the government peace panel for the Philippine Southern Conventionist and Southcom General Thelmo Cunanan.

Immediately upon arrival in Jakarta, President Ramos will be honored with a state dinner hosted by Indonesian President Soeharto. Navarro said there will be three private sector co-venture agreements that will be signed there with a total worth of P7.8-million [Philippine pesos] in new investments coming in to the Philippines.

He said President Ramos will take up with President Soeharto the proposed "Growth Triangle" being envisioned among the three East- Asean (Association of South East Asian Nations) island grouping of Mindanao, the eastern part of Indonesia and eastern province of Malaysia. This is why, he said, among the agenda in the bilateral talks between officials of the two governments are the proposed establishment of air links and regular shipping lines along these three areas in East-Asean region to promote intra-trade.

Navarro noted that Malaysian Prime Minister Dr Mohammad Mahathir had previously talked with president Soeharto of his country's interest to join the proposed "Growth Triangle." He said President Ramos will take this up with President Soeharto to finally put in place the mechanism of this proposal.

Eulogists Decry U.S. Role in Marcos Downfall

HK1109073193 Quezon City ABC-DWET Television in English 1300 GMT 10 Sep 93

[From "ABC-DWET News Program; passage within slantlines in Tagalog]

[Text] [Announcer] In death, as in life, the Marcos story remains long and telling, winding and turning, even at its final grinding moments. At high noon today, the body of former President Ferdinand Marcos was consigned to his tomb at the Marcos mausoleum in Batac, but not without the last-minute questions, the last-minute doubts, the last-minute storms. Is the Marcos body really there? Will the people be permitted to view his remains? Will he ever rest in peace? Rom Roque reports.

[Begin recording] [Roque] Thousands of Marcos supporters packed the Marcos compound in Batac, Ilocos Norte this morning to witness the interment of the late President Ferdinand Marcos. Unlike last Tuesday's [7 September] crowd at the airport, the people were more subdued, as if realizing for the first time that their hero, their leader, is dead.

Senator Arturo Tolentino, the late Marcos running mate in the 1985 presidential elections, lambasted the Americans in his eulogy for causing the downfall of Marcos.

[Tolentino] I remember most his intense nationalism that made his spirit rebel against the unjust terms of the Philippine-American military bases agreement. Unfortunately, it was this nationalism of Marcos' that caused his downfall from the presidency.

[Roque] In his response speech, Congressman Ferdinand Marcos Jr. reiterated Senator Tolentino's beliefs, and lamented their loss not only of a leader but also of a father.

[Marcos] But he was not a god or a super-human being; he was but a man, a man beloved by his people, his friends, and his family, who now—bereft the warmth of his love and affection—quake as orphans before a new storm. So who is to protect us now, we ask? Who shall now stake all in the defense of our country and of our people? There was once such a man, and his name was Ferdinand Edralin Marcos.

[Roque] Although this was undoubtedly not a staged funeral, the late President Ferdinand Marcos would have probably have liked this anyway. All the members of his family were present, and so were his friends. Even a few of what others might consider as his enemies came to pay their last respects. But while some would consider this event the last page in the Marcos chapter of Philippine history, it could very well be the new beginning of a new struggle for the Marcoses. The Marcos family continues to assert that this mausoleum is going to be the temporary resting place for the late president. They are still hoping that somehow, someday Marcos' remains will be taken to the Libingan ng mga Bayani [Heroes' Cemetery] in Fort Bonifacio. As to when that will be, no one knows for sure. [end recording]

[Announcer] In a truly final gesture, the men who helped drive the former president into ignominious exile have made peace, at least, with the widow of the departed dictator. The Rebolusyonaryong Alyansayng Makabayan [Revolutionary Nationalist Alliance] or RAM, the spearhead of the EDSA [Epifanio Delos Santos Avenue] Revolution of 1986, which has changed the history of the country, says reconciliation is for now; justice for Marcos, perhaps, in the future. Aileen dela Cruz has the details.

[Begin recording] [Dela Cruz] After seven years, the same group of RAM-YOU [Young Officers Union] who ousted Marcos from power paid their last respects to the late president, and offered the hand of peace and reconciliation to the rest of the Marcos family. Ex-scout Ranger Captain Danilo Lim led the RAM delegation to Batac, Ilocos Norte. With Lim were Colonel Reynaldo Ochosa, Colonel Luisito Sanchez, Captain Roberto Rosio, Captain Nonito Cadizo, Captain Rogelio Bonifacio, Lieutenant Rey Liwag, Lieutenant Mario Antonio, and several other RAM officers and RAM civilian supporters. Melchor Verano, Lim personally delivered the

message from RAM Exicom [Executive Committee] chief, Colonel Gringo Honasan. The letter sends messages of sympathy and condolences to the Marcos family. The letter says the time is right for a reconciliation.

[Imelda Marcos] With your coming here and the group, and my being here and knowing our history, this hopefully... Your group and the Marcos loyalists will start [word indistinct] with its reconciliation.

[Dela Cruz] But does this mean that apologies for whatever part each one played in 1986?

[Lim] As to that apology, well, other people might take it as an apology, but /in our opinion/ this is an essential, a concrete step toward putting real substance—instead of playing mere rhetorics or lip-service—to the issue of reconciliation. [end recording]

Breakaway Leftist Unions Sanction Armed Struggle

*HK1509055893 Manila THE MANILA CHRONICLE
in English 15 Sep 93 p 3*

[Passages within slantlines in Tagalog]

[Text] Labor unions that separated from the 1 May Movement [KMU] national federation yesterday renamed themselves as the "Workers' Alliance for Change" (BMP) [Bukluran ng Manggagawa para sa Pagbabago] and vowed to pursue socialism using all possible means, including armed struggle. This developed as labor unions that remained loyal to the national federation gathered at the Mt. Carmel social hall in Quezon City to express support for KMU leaders and to denounce the breakaway group.

The two warring factions held their separate general assemblies peacefully and elected a new set of officers yesterday afternoon. Romy Castillo, leader of the breakaway group, was unanimously voted chairman by delegates of 253 unions and declared the new leader of the group before a crowd of 15,000 workers. At the KMU assembly, Leto Villar received a vote of confidence from 1,500 delegates of labor unions in Metro Manila and Rizal chapter.

Although it would appear that Castillo's group has more followers based on the number of workers who trooped to the Ultra [Coliseum] in Pasig town, KMU national leaders explained that the small number of delegates who attended their regional congress was not an indication of smaller mass base.

Villar said unlike Castillo's group, which asked workers to attend the general assembly, the KMU leaders invited only delegates of loyal labor unions. Newly elected KMU leaders for Metro Manila and Rizal said they have the support of 256 local unions, while BMP leaders said they were certain of the loyalty of at least 253 unions. Before the breakup, the KMU chapter in Metro Manila and Rizal only had 320 unions with a total of 134,000 workers. Insiders said over

100 unions affiliated with the KMU were actually divided on which group they should side.

Compared with the incumbent KMU which espouses national democratic principles, Castillo's group appeared to have a more radical character. Castillo said his group would "not rule out the possibility of using armed struggle" if the situation called for it. He said the BMP would use all appropriate means to advance workers' rights and interest, including taking up arms against those who would oppress workers "excessively and for a prolonged period."

Castillo said the BMP's "ultimate goal" is to establish a "socialist society" where "oppression of men is totally eliminated." The BMP's 15,000 followers who attended the general assembly approved a resolution which embodied this principle. /"The ultimate goal of the organization is to eliminate the exploitation of people by setting up a socialist society,"/ the resolution said. / "BMP acknowledges, is open to, and is ready to support all appropriate forms of struggle to achieve this principle"/ it added.

Crispin Beltran, KMU national chairman, has branded Castillo's group as "new yellow union formation." Far from being weakened by the separation of Castillo's group and the unions loyal to the clique, Beltran said the breakaway was actually good for the KMU because it was "cleansed of bad elements."

Roundup of Rebel Activities for 4-10 Sep
HK1209085193

[Editorial Report] The following is a round-up of reports on Philippine rebel activities from Philippine media monitored by Hong Kong Bureau from 28 August to 3 September. Source information is given in parentheses at the end of each item.

4 September

Seven New People's Army (NPA) rebels were killed in an encounter with Philippine Army (PA) soldiers in three towns in Cagayan. Five of the rebels were killed in an encounter in Allacapan, and one each in Ballesteros and Solana. One soldier and a civilian militia member were wounded. (Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT)

Two rebels, identified only as Joaquin Lorilla and Floretina Lorilla, were killed during a encounter between the New People's Army (NPA) and the PA's 74th Infantry Battalion in Barangay Bagong Silang, Del Gallego, Camarines Sur. No casualties were reported on the government' side.

Meanwhile two other rebels, identified as Jaime Aseste and Efren Ebronal, were captured after a three-minute gunfight in Barangay Cawayan, Tinambac, Camarines Sur.

In a related development, an NPA rebel, who earlier had surrendered to authorities and was guiding several soldiers through Pulang Daga, Balatan, Camarines Sur, was killed during a two-minute gunfight with NPA rebels. (Manila MANILA BULLETIN in English p B-9)

7 September

Philippine Army soldiers reportedly overran a five-hectare NPA training camp—complete with several bunkers, a medical room, and several grandstands—in Mt. Bintacan, Sorsogon on 6 September. The authorities were able to successfully take over the camp after a fierce gunfight, which left many retreating rebels wounded. The soldiers also were able to capture an NPA rebel, identified only as Domingo Guetanilla, alias Comrade Boyet. (Manila MANILA BULLETIN in English p B-12)

8 September

At least 20 heavily armed Muslim rebels killed a policeman and wounded five others, including a police company commander, in an ambush in Dinaig, Maguindanao on 6 September. The ambush allegedly was meant for an army general. (Manila MANILA STANDARD in English p 4)

9 September

A police major, Maximo Favic, and his driver were ambushed today in Marikina, Metro Manila by men suspected to be members of the NPA's Alex Bongcayao Brigade (ABB). Both Favic and his driver died on the spot. Police authorities are now on alert against a possible resurgence in the ABB's assassination operations. (Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT)

Further on Break Up of Counterfeiting Syndicate

HK0509060193 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 3 Sep 93

[Text] The Criminal Investigation Service Command is believed to have broken up a dollar counterfeiting syndicate allegedly led by a son of former Health Minister Jesus Azurin.

In an interview with DWIZ, Colonel Rufo Pulido, chief of the police intelligence group, said he believes there was no planting of the dollars, as claimed by Jay Azurin who claimed the dollar bills found in his possession were planted by their driver who was dismissed earlier.

Earlier, Pulido's men arrested Sergeants Edwin Gomez, Eugene Endaya, and Ricardo Ballesteros, who are all AWOL [absent without official leave from the military], along with Jay Azurin, who yielded 30 bundles of \$20 bills when arrested on Kamuning Street in Quezon City.

Thailand**Spokesman Announces Dismissal of SAP Ministers**

BK1509091593 Bangkok Radio Thailand Network in Thai 0530 GMT 15 Sep 93

[Text] Prime Minister's Office Spokesman Aphisit Wetchachiwa said to newsmen at Government House this morning that there will be an announcement of a royal decree today relieving ministers under the quota of the Social Action Party from their offices. There will be another announcement later to appoint new ministers to replace those being discharged, but this will have to wait until a meeting of the Seritham Party has been held. The new list will include the appointment of ministers of the Labor Ministry.

Concerning the responsibilities being left vacant by Social Action Party ministers, Aphisit said that Deputy Prime Minister Banyat Banthatthan will be acting. This includes the health and justice portfolios. Aphisit said this should cause no problems.

Chuan Refuses To Comment on Political Merger

BK1209150993 Bangkok Army Television Channel 5 in Thai 1200 GMT 12 Sep 93

[Text] Speaking during an interview granted to newsmen in Hat Yai District, Songkhla Province, Prime Minister Chuan Likphai said there is no need for him to dissolve parliament since it serves no purpose. He views that the grouping of opposition parties as a normal practice under the democratic system.

[Begin Chuan recording, in progress] ... parliament and elections must go together. We should not let ourselves be dragged into thinking that we must dissolve the House of Representatives whenever we cannot solve national problems. It should not be that way. House dissolution is just a mechanism in the democratic system. I did not want talk about the subject because I see no reason to dissolve the parliament. Why should we dissolve the House? [End recording]

The prime minister also declined to comment about the Social Action Party saying he does not want to be unethical. Asked to comment about the reason why the Social Action Party merged with opposition parties, the prime minister said the question should be directed at the Social Action Party itself.

Central Bank Advises Urgent Economic Restructure

BK0709013993 Bangkok BANGKOK POST in English 7 Sep 93 p 12

[Text] The Government should urgently restructure the economy to compete with China, Vietnam and Indonesia where labour costs are much lower than in Thailand, according to the Bank of Thailand.

Central bank governor Wichit Suphinit told a seminar at Government House yesterday that not only were labour costs in these countries much lower than in Thailand, but their markets were very big and that would make them very attractive to foreign investors.

The session was on the "economic impact on employment".

The capital flow into Thailand halved this year compared with last year but that into China and Malaysia was much higher, he said.

It was increasingly difficult to attract investment capital to Thailand because of higher demands elsewhere, particularly from countries such as China, Vietnam and those in Eastern Europe. Industrialised countries tended to invest in these countries for political reasons, he said.

Thailand must restructure its economy to maintain its competitiveness Mr Wichit said. In general, the Thai economy was performing quite well. There were problems only in some sectors such as agriculture and certain industrial goods.

However, Thailand's economy was 80 percent open, meaning 80 percent of the economy depended on external factors.

"Therefore, if external factors are worse, the Thai economy will face problems."

Agriculture needed to be restructured, he said. Last year, the Government spent a lot of money to compensate farmers and there was a trend for the Government to implement this policy again this year.

"But the Government was not in a position to compensate farmers every year because it had to spend money to develop infrastructure and industries for exports. Agriculture has to be restructured."

Mr Wichit recommended the Government should urgently develop infrastructure because this was directly tied to the country's economic development.

If basic infrastructure such as roads, electricity, water and telephones were well developed, production costs would be lower. Congested traffic on roads and at ports had adversely affected the country's exports.

Worsening traffic in Bangkok would affect tourism which was the top income earner.

The shortage of savings needed to be tackled. Mr Wichit said savings had risen but were still very low compared with the demand for capital for investment. Investment capital in Thailand was equivalent to 40 percent of GDP, but savings were equivalent to only 32 percent.

The distribution of income was a major problem, he said. The average revenue per head of workers in Bangkok and its environs was 7.7 times that in the Northeast, five times that in the North, 3.7 times that in

the South and 2.6 times that in the Central area. If this problem was not solved it would cause chaos in the manufacturing sector.

Mr Wichit recommended that the Government should boost efficiency and competitiveness of the industrial sector, maintain the ability to mobilise funds at home and abroad, and reduce restrictions in manufacturing and market procedures.

Exports of low-technology machinery to other countries should be supported because this would help expand Thai investment in these countries and increase its markets, he said.

Government Special Measures To Boost Key Exports

BK1109033993 Bangkok THE NATION in English
11 Sep 93 p B12

[Text] The government will consider taking special measures to promote canned food, frozen seafood and frozen chicken exports, according to Deputy Commerce Minister Phaithun Kaeothong.

He said a working group's findings show that agriculture products, especially the three items, should receive more attention from the government because the country earns more than Bt100 billion a year from their exports. Of this amount, the three items generate 34 per cent of the total.

The three industries are beset by shortage of raw materials, some of which have to be imported, such as tuna. To promote tuna canning, the working group has suggested that the import duty on tuna should be lowered or scrapped. However, this measure may hurt Thai fishermen, he said.

He said the government will also streamline food inspection procedures to facilitate exports.

Speaking after yesterday's meeting of the Export Development Committee Phaithun reported that during the past seven months, Thailand shipped out Bt506 billion worth of exports. For the whole year, exports are forecast to total Bt916 billion, up 11 per cent from last year.

However, rice exports have faced problems during the past seven months as shipments were 30 per cent below target. Overall, next year's exports should improve due to more shipments to the US, European Community (EC), Japan, and to new markets such as eastern Europe and Indochina. Barter trade and long-term credit (via the recently set-up export-import bank) will help increase sales in these new markets.

The US and EC are still in slump with as world economy expected to grow by only 2.2 per cent, with Japan, growing one per cent; EC less than one per cent; and US slightly over two per cent.

In addition to slower world economic growth, Thai exports have faced increased competition from China which is competitive in clothing and footwear. He called for increased effort to promote these industries. At present, Thailand holds a share of 60 per cent for electronics goods in the US market, but its share in clothing and footwear is much lower than that of Indonesia and China.

Meanwhile, he said, Thailand should get more orders from US customers given that the US administration had removed Thailand from the priority foreign country (PFC) list to a less severe list of countries which the US deems to have used unfair trade practices.

Australian Official Comments on Trade Ties

BK1509020993 Bangkok BANGKOK POST in English
15 Sep 93 p 7

[Text] Thailand and Australia have great potential to enhance their bilateral trade relationship, the leader of Australia's parliamentary opposition said yesterday.

In a press conference following talks with Prime Minister Chuan Likphai and Deputy Prime Minister Amnuai Wirawan, Federal opposition leader John Hewson said he was "surprised at the limited extent to which we have developed the relationship" so far.

The two countries should concentrate on "brain-based industries" and tourism, he said, noting that the number of Thai visitors to Australia doubled last year.

He said he was pleased that during his brief visit to Thailand, the officials he met "said that where we were seen as European, we are now seen as being keen to be part of Asia".

Australia, said Dr Hewson, "has got to trade its way out of its balance of payments and debt problems".

Australia's future lies with Asia because Asia is the world's fastest-growing, most dynamic region.

Australia has "pretty deep-seated interests in the Asia-Pacific region".

Asked if he as opposition leader or his party, the Liberal Party, had a position on ASEAN's Burma policy, he said: "It would be premature for me to express a view on that."

"I had actually hoped to spend time on that, but there were just so many other issues that we covered."

He said Australia's high-profile funding of the Friendship Bridge over the Mekong River should enhance its potential to do business in the region.

"The fact that we're a successful project manager in relation to the Friendship Bridge stands us in good stead," he said.

Manila Must 'Crack Down' on Copyright Violators

BK1109115193 Bangkok NAEON A in Thai 11 Sep 93 p 4

[Editorial: "Let Us Get Rid of Those Who Plunder National Interests"]

[Text] The violence in the south shows how dreadful the separatist movements are, because the authorities have still not been able to arrest the culprits for legal punishment. The local people feel insecure about the safety of their lives and property. But these southern terrorists are still not as bad as some people.

A few days ago, almost every newspaper reported the U.S. decision to drop Thailand from the list of priority foreign countries facing U.S. trade sanctions, or PFC for short. Thailand is now being placed on the Priority Watch List, or PWL, instead. The U.S. removal of Thailand from the PFC list will certainly improve Thai-U.S. trade relations. Thai exports to the United States will not be subject to U.S. trade sanctions.

Anyway, the recently-announced U.S. decision to move Thailand from the PFC list to the PWL is not a guarantee that Thailand will be safe from U.S. sanctions forever. Thailand could be placed on the PFC list again if our efforts to deal with copyright piracy stop short. We could eventually face U.S. trade sanctions. That means Thailand would lose the U.S. market for its exports, which earns the country about 100 billion baht annually. We do not have to say how dreadful those robbers would be if they were responsible for such a great economic loss to the country.

Those who copy music, video tapes, and literary works for local distribution are causing greater damage to the country than those terrorists in the south. Their acts of piracy are the reason the U.S. Government kept pushing Thailand for years to suppress seriously copyright piracy. The United States says it loses about 1 billion baht each year because of Thai copyright piracy. The money it loses in Thailand does not benefit the majority of the Thai people or promote Thailand's economy, but falls into the hands of a group of national robbers.

If it does not want to return to the U.S. PFC list, Thailand must continue to crack down on those national robbers who steal copyrighted works. We in Thailand must boycott these copied products and inform the authorities of their existence and origin. This will contribute to trade relations between Thailand and the United States. We must realize that the 1 billion baht these pirates earn per year from their illegal copying cannot compare with the 100 billion baht earned by Thailand in its annual trade with the United States. We in Thailand should put even more effort into eliminating copyright pirates than the efforts made to solve the problem of southern separatism.

Burmese To Protest Thai Minister's Rangoon Visit

BK1309015193 Bangkok THE NATION in English 13 Sep 93 p A5

[Text] BURMESE leaders in the United States will hand a letter to the Thai envoy in Washington on Saturday protesting against this week's official visit to Rangoon by Foreign Minister Prasong Sunsiri, informed sources said.

The Burmese community will demonstrate in front of the Burmese embassy in Washington on the same day. They will also submit a letter to Burmese Ambassador U Thaung to mark the fifth anniversary of the formation of the State Law and Order Restoration Council (Slorc) that has administered Burma since 1988.

The same source said Burmese will also rally in the Australian capital, Canberra, to mark the day. However, one of the sources said, Burmese students residing in Thailand were unlikely to hold a protest out of fear that Thai authorities would arrest them and put them into the holding centre in Ratchaburi province.

Slorc, the ruling party's official name, was formed on Sept 18, 1988, by the military leaders who had governed the country since 1962. Headed by Gen Saw Muang, Slorc promised multi-party elections.

One day after the formation, the military troops occupied the city and mow down the demonstrators which took on street against the Slorc [sentence as published].

People in major towns throughout the country were gunned down. The unofficial death toll was put at 500-1,000. Thousands of Burmese students fled the crackdown to Thailand and other countries.

The source said Prasong's official visit from Thursday to Saturday is seen by expatriate Burmese as direct support for Burma's military junta.

The minister is scheduled to co-chair the first meeting of the Thai-Burma Joint Commission with his Burmese counterpart U Ong Gyaw in Rangoon. Prasong will be accompanied by about 80 officials and private sector representatives. The entourage is scheduled to visit Mandalay and Pang-gan.

Thai and Burma relations are dubious. The Thai government has relations with Slorc as the legitimate representative of Burma, but provides shelter for Burmese students who fled repression.

The government has repeatedly argued that trying to influence the military junta through direct relations is preferable to isolating the regime, as many nations urge.

Japan's Foreign Minister Confers With Officials
OW1509020793 Tokyo KYODO in English 0108 GMT
15 Sep 93

[Text] Bangkok, Sept. 15 KYODO—Japanese foreign minister Tsutomu Hata conferred with Thai Government leaders Wednesday [15 September] on the first leg of a four-day Southeast Asian tour expected to focus on the future of Myanmar [Burma] and Indochina.

Hata met his Thai counterpart Prasong Sunsiri at a Bangkok hotel before paying a courtesy call on Prime Minister Chuan Likphai.

It was not immediately known what they discussed at the meetings, but Japanese officials had said ahead of the visit that Hata will propose a bilateral "partnership" to encourage Myanmar to open up to the world and restore full democracy.

Hata flew into Bangkok late Tuesday shortly after returning to Tokyo from a brief trip to Washington, where he witnessed the signing Monday of an historic accord on limited Palestinian self- rule in territories occupied by Israel.

He will go to Phnom Penh later Wednesday for talks with Cambodian leaders on the war-torn country's ongoing peace process and reconstruction aid. He will return to Tokyo on Friday after an overnight stay in Bangkok.

Hata, concurrently deputy prime minister, is the first minister of Tokyo's month-old coalition government to visit Southeast Asia.

On arrival in the Cambodian capital, Hata will go by helicopter to the southern port town of Sihanoukville to thank remaining members of Japan's peacekeeping team for completion of its work.

Of the 600-member engineering battalion from the ground Self- Defense Force, 450 returned home Tuesday after a six-month assignment and the rest will follow suit September 26.

The troops followed a similar contingent sent last year to join of the United Nations peacekeeping mission, which is winding down its 18-month operations. It was the first overseas mission by Japanese ground forces since the end of World War II.

Mortar Shells Explode in Ubon Ratchathani
BK1209012293 Bangkok THE NATION in English
12 Sep 93 p A2

[Text] Five mortar shells exploded on Thai soil yesterday morning as Phnom Penh troops launched a fresh attack against the Khmer Rouge to retake the strategic pass of Chong Arnma, opposite Ubon Ratchathani province, informed sources said.

Angry military officials sent a warning to the warring factions that they would return fire if another shell land in Thailand, said the sources.

There were no reports of damage or casualties from the shelling, the latest of many since the beginning of joint military operations by Phnom Penh and its two former foes, the Sihanoukist forces and former Prime Minister Son San's troops, early in August against Khmer Rouge strongholds along the Thai-Cambodian border.

Phnom Penh hopes to cut the Khmer Rouge's strength and reduce its bargaining clout at the roundtable talks on power sharing scheduled next month.

Thai military officials have on a number of occasions warned that the fighting must not spill over the border.

The sources said the latest military duel erupted five days ago as Phnom Penh tried to retake a military checkpoint called CT-1 at Chong Arnma, overrun by the guerrillas on Aug 1 when UN peacekeepers claimed they were helped by the Thai military.

The Thai military was also accused of helping evacuate Khmer Rouge fighters and their families to a safe area when Phnom Penh's troops launched an operation against the guerrillas' base at Phum Chat, in Northwest Banteay Meanchey, province in mid August.

The allegations raised questions about the Thai government's proclaimed hands-off policy with the Khmer Rouge.

The situation worsen when senior Thai military officers confirmed last week that they will not hand Khmer Rouge fighters captured in Thailand over the Phnom Penh troops. They will be instead be disarmed and held until the situation stabilizes and then sent back across the border.

The Foreign Minister in the Cambodian interim government, Prince Norodom Sirivut, in response accused Thailand of being the Khmer Rouge's true supporter.

The Thai military has been a consistent target of renewed allegations of providing help and sanctuary for the Khmer Rouge since the maoist group launched an attack on Phnom Penh-controlled Khao Preah Vihear Temple adjacent to Thailand's Surin province, late in July. The onslaught followed a two-month lull after the Khmer Rouge boycotted general elections in May.

The attack was seen as an attempt to boost the faction's bargaining power for a say in the new coalition government, which was formed without them.

Vietnam**Le Mai Comments on U.S. Embargo Decision**

BK1409135193 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 14 Sep 93

[Interview with Le Mai, deputy foreign minister, by unidentified station correspondent in Hanoi on 14 September—recorded]

[Text] [Correspondent] Dear friends: Yesterday, 13 September, the United States made an announcement to allow U.S. companies to participate in development projects in Vietnam sponsored by international financial and monetary institutions. This followed President Bill Clinton's 2 July statement. This afternoon, 14 September in Hanoi, a Voice of Vietnam correspondent interviewed Deputy Foreign Minister Le Mai on President Bill Clinton's 13 September announcement. The deputy foreign minister said:

[Le Mai] On 13 September, the United States decided to prolong its embargo against Vietnam and some other countries. I think that this decision is regretable [laays lamf tiecs] because it runs counter to the trends of negotiations and cooperation as well as freedom in doing business and trade in the current world situation. This decision also runs counter to the interests of the American and Vietnamese peoples. It also makes people wonder whether the United States has a consistent stance, which the United States itself declared it had at the recent Vienna Conference. The Vienna Conference issued a resolution holding that the right to development is one of the fundamental rights of all nations and that all governments must respect the right of nations to develop. The U.S. representative at this conference also asserted the U.S. stance on this issue. As a result, I think that the decision to prolong the U.S. embargo has violated the right of development for nations, thus the United States will find it difficult to explain its stance.

I would like to say, however, that U.S.-Vietnamese relations have made notable progress during the past period and that the decision to prolong the embargo runs counter to this progress. Nevertheless, while making this announcement, the U.S. President has decided to allow American companies to take part in development projects sponsored by international financial and monetary organizations. This is indeed a positive step, but American businessmen still have no freedom to do business in Vietnam, that is they can only join development projects sponsored by international financial organizations while they are unable to take part in other projects. This means that U.S. businessmen still have no opportunity to equally compete in the Vietnamese market.

[Correspondent] Mr. Deputy Minister, could you elaborate on the prospects for Vietnam-U.S. relations following this event?

[Le Mai] The U.S. side said that the United States and Vietnam have closely cooperated in various issues, especially the MIA issue, during the past period. They also expressed the hope that, in the days ahead, this cooperation will be strengthened so they may have proper reasons to consider lifting the embargo against Vietnam. I think that Vietnam-U.S. relations have developed step by step, and that Vietnam-U.S. cooperation in humanitarian issues, especially the MIA problem, has scored remarkable achievements. For our part, I think that Vietnam has consistently considered the MIA a humanitarian issue. Vietnam has announced that, under all circumstances, it will resolve this issue in a humanitarian spirit whether or not the normalization of relations between the two countries has been achieved. In this context, I think that the United States and Vietnam will continue their negotiations, and that differences between the two sides should be frankly discussed while efforts should be made to continue cooperation. I hope that Vietnam-U.S. relations will be strengthened step by step, thereby contributing to peace and stability in the region and meeting the aspirations of the two peoples.

[Correspondent] Mr. Deputy Minister, from a broader perspective, what is the impact of the latest U.S. decision on the relations between Vietnam and other countries?

[Le Mai] First of all, I think that the U.S. decision to allow American companies to participate in contract bidding and the implementation of projects to be carried out in Vietnam, with funding from the IMF and other international financial institutions, will create more favorable conditions for those countries which are members of different international monetary and financial institutions or funds such as the International Monetary Fund (IMF), the World Bank (WB), and the Asian Development Bank (ADB) to further develop their relations with Vietnam. They could do this without having to face any limitations or obstacles in formulating and implementing their projects as they do now. That is the positive aspect of the U.S. decision.

I would also say that foreign businessmen will continue doing business in Vietnam whereas U.S. businesspeople will continue to lose as their hands are still tied. The reason is because under the easing of the embargo this time, U.S. businessmen are only allowed to participate in those projects funded by the IMF instead of being treated on an equal basis with other foreign businessmen when it comes to taking part in projects funded by other international monetary and financial organizations.

Thus, in my opinion, the easing of the embargo this time has a positive effect because it enables foreign countries to overcome obstacles and participate in various projects to be carried out in Vietnam through international monetary and financial institutions.

[Correspondent] Thank you, Mr. Deputy Foreign Minister.

Foreign Ministry Comments on U.S. Embargo

BK1409151993 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 14 Sep 93

[Text] In answering a foreign reporter's question on Vietnam's reaction to U.S. President Bill Clinton's 13 September statement, the SRV Foreign Ministry spokesperson said: Vietnam has noted that following President Bill Clinton's 2 July statement, the U.S. decision on 13 September to allow American companies to take part in development projects in Vietnam, sponsored by international financial institutions, is a measure aimed at easing the U.S. embargo on Vietnam.

It is regretable, however, that the United States continues to maintain its embargo against Vietnam. This is counter to the trend of development in the international and regional situation, and to the aspirations and interests of the Vietnamese and American people. It also does not conform with the development of Vietnamese-American cooperation on humanitarian issues. The U.S. embargo, however, cannot hinder the renovation undertaking in Vietnam or the expanding multi-sided relations between Vietnam and other countries. It will only prevent U.S. businessmen from having the opportunity for equal competition in Vietnam.

The U.S. embargo against Vietnam and other countries also constitutes a violation of the right of nations to development, which the Vienna International Conference on Human Rights considered as a fundamental human right, and which the U.S. representative to that conference declared respect for.

For humanitarian reasons, Vietnam will continue to cooperate with the United States to resolve the issue of American servicemen missing in Vietnam.

President Le Duc Anh Welcomes Palestine Success

BK1409152593 Hanoi VNA in English 1517 GMT 14 Sep 93

[Text] Hanoi VNA Sept. 14—"As a close friend of the Palestinian people, the Vietnamese people have noted with pleasure at the important success the Palestinian people have achieved in their persistent struggle under the leadership of the Palestine Liberation Organization [PLO]. This comes in a letter today of President Le Duc Anh in reply a letter dated September 1st of Y. 'Arafat, chairman of the Central Committee of the Palestine Liberation Organization, who informed the Vietnamese leader about an agreement reached by the PLO and Israel to solve the Palestine issue. President Le Duc Anh's letter says that despite numerous difficulties and obstacles ahead, the agreement between the PLO and Israel has a significance towards the settlement of the Palestine issue, ensuring an equitable and lasting peace and the self-determination and independence rights of the Palestinian people. 'Vietnam,' the letter continues, 'believes that to promote this success, the parties concerned in the Middle East conflict will continue their

efforts in negotiations in order to early reach an overall, equitable and durable solution to this issue, aimed at ensuring the palestinian people's fundamental national rights as well as independence, sovereignty and territorial integrity of other Arab countries.' 'The Vietnamese people have always stood by the Palestinian people in their just struggle under the leadership of the PLO headed by President 'Arafat for their sacred fundamental national rights, including the right to self-determination and the right to set up their own independent Palestine state,' the letter adds.

Investment Promotion, Guarantee Accords Signed

BK1109062793 Hanoi VNA in English 0612 GMT 11 Sep 93

[Text] Hanoi VNA Sept. 11—Vietnam has signed 15 agreements on investment promotion and guarantee with foreign countries.

The first agreement was signed with Italy in May, 1990. It was followed by agreements with Luxembourg, Australia, Thailand, Malaysia, the Philippines, France, Switzerland, Belarus, Indonesia, Singapore, China, Armenia, Germany and South Korea.

Besides, the economic and cultural office of Taipei in Hanoi and the economic and cultural office of Vietnam in Taipei, the two non-governmental organizations, have signed an agreement to promote investment.

Vietnam is negotiating with Britain, Holland, Finland, Sweden, Denmark, Russia, Canada, Hungary and Poland to sign such agreements.

Vietnam also has signed agreements on avoidance of double taxation with Australia, France, Thailand and Russia. Negotiation is under way to sign such agreements with Britain, Sweden, Switzerland, Belgium, Luxembourg, Hungary, Holland, China, Malaysia, Germany and South Korea. In order to push up the signing of double taxation agreements with other countries, Vietnam is trying to perfect its tax system.

Trade Minister Holds Talks With PRC Ministers

BK1209152793 Hanoi VNA in English 1400 GMT 12 Sep 93

[Text] Hanoi VNA Sept. 12—Minister of Trade Le Van Triet has arrived in China for a 10-day official visit to China at the invitation of Minister of Foreign Economic Relations and Trade Wu Yi.

Minister Le Van Triet was received on Sept. 8 by Vice Premier Li Lanqing who expressed his satisfaction at the development of the friendship and cooperation between the two countries since their relation normalization. He affirmed that the Chinese Government's wish to promote its economic cooperation and trade with Vietnam in conformity with the interests of the two peoples and peace and stability in the region.

The same day, Minister Le Van Triet held talks with Minister Wu Yi. The two sides reviewed the economic cooperation and trade between Vietnam and China over the past two years, and exchanged views on other issues with a view to increasing official trade through big companies, reorganizing cross-border trade and promoting the economic cooperation and trade between the two countries.

Minister Le Van Triet also met with representatives of a number of groups of companies in Beijing, and visited the Beijing Iron and Steel Group. He left Beijing on Sept. 10 for Shanghai, Hainan and Quangzhou.

Nong Duc Manh Receives Indian Delegation

*BK1409150593 Hanoi VNA in English 1459 GMT
14 Sep 93*

[Text] Hanoi VNA Sept 14—National Assembly Chairman Nong Duc Manh received here this afternoon a delegation of the Indian congressmen in charge of population and development led by Mahendra Prasad, chairman of the Indian Congressmen's Association on Population and Development, on a current working visit to Vietnam.

The Indian ambassador to Vietnam was present at the reception.

Speaking to the guests Chairman Manh thanked the Indian Government and people for their support to Vietnam to overcome difficulties in the past as well as in the current national construction and development. He expressed his wishes for the cooperation and friendship between the two legislatures, governments and peoples.

The Indian delegation arrived here yesterday for an official visit at the invitation of the National Assembly's Commission of Social Affairs.

This morning, Mr Mahendra Prasad and his party held talks with a Vietnamese delegation of the host commission led by Mrs Nguyen Thi Than, head of the commission.

During the talks, the two sides informed each other of their recent achievements in socio-economic development and introduced the activities of the two countries's legislative bodies, particularly on population, development, public health, etc.

Also in the morning the Indian delegation paid floral tributes to President Ho Chi Minh at his mausoleum. It was also received by Hong Ha, head of the external relations of the Communist Party of Vietnam Central Committee.

Decree on Preferential Treatment, Immunity for Diplomats

*BK1109151393 Hanoi VNA in English 1503 GMT
11 Sep 93*

[Text] Hanoi VNA Sept. 11—A decree on preferential treatment and diplomatic immunity for foreign diplomatic missions issued by the president of the Socialist

Republic of Vietnam was made public at a press conference held here on September 9 by the Presidential Office.

The decree which was adopted by the National Assembly on August 23 last is in six chapters and 49 articles. Under the decree, preferential treatment and diplomatic immunity are extended to diplomatic representative offices, consulates and representative offices of international organizations, and also to the staffs and their dependants.

International organizations referred to in the decree include international organizations belonging to the United Nations, inter-governmental international organizations outside the UN and non-governmental organizations.

The decree also provides for state management of the implementation of this decree.

TAP CHI CONG SAN Sep Issue Reviewed

BK1309151793 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 12 Sep 93

[Summary] To mark the 48th anniversary of the August Revolution and the 2 September National Day, the journal carries an editorial titled: 'Develop the Achievements of the August Revolution and Strive To Build Vietnam Into a Prosperous, Powerful, and Civilized Socialist Country.' The editorial points out: 'To carry on the struggle to make the people rich, the country powerful, and bring about civilization in a society based on socialist orientations, our entire party and people must bring into play the spirit and impetus of the August Revolution, promote unity, fully grasp the standpoints put forth in the platform and resolutions of the party Central Committee, the Constitution, and state laws and policies. It is of the utmost importance to always firmly adhere to socialist orientations and guard against the tendency to depart from our set goals. We should not focus only on the renovation and open-door policies and forget our set goals. We should not concentrate only on our shift to the market economy and turn our back to the socialist orientations. Some theoretical and practical issues have not been fully clarified. However, we must work and draw experiences to supplement our theoretical knowledge of socialism. We still can assert that to advance to socialism is an inevitable path we must follow and also an objective evolution of history, which always forms a continuous flow linking the past, present, and future and which is marked by development and succession. Nobody is allowed to turn his back on the past or negate the future. We should not let the transient prosperity of the capitalist world turn our heads and opt for the capitalist path, which has been filled with blood, tears, and mud.'

The following articles also appear in the special section to mark the 48th anniversary of the August Revolution and the 2 September National Day:

- An article by Nghiêm Dinh Vy and Lê Kim Hải titled: 'The Declaration of Independence and the Human Rights Issue.'
- An article by Ngô Phuong Ba of the Institute of History titled: 'President Ho Chi Minh's Concepts on Generosity and Concord.'
- An article by Lê Văn Tuan of the Institute of Scientific Socialism titled: 'The Socioeconomic Consistency of Ho Chi Minh's Ideology.'
- An article by Nguyễn Đăng Sinh of the Ho Chi Minh National Institute of Political Science titled: 'The Ideological Work and the Task of Preserving the Purity of Marxism-Leninism.'
- An article by Đặng Vũ Liêm, director of the Political Department under the Border Defense Force, titled: 'Defending the Fatherland's Border Security in the New Situation.'

Appearing first in the 'Research and Exchanges of Views' section is an article by Major General Bùi Phan Kỳ of the Institute of Strategy under the Ministry of National Defense, titled: 'Concerning the Current National Defense and Security Tasks.' After pointing out that it is politically unacceptable to think that safeguarding national independence and defending the regime are two different tasks, the author stresses that national defense and security forces have a common task to fulfill. That task is playing a key role in safeguarding national independence, sovereignty, and territorial integrity; defending the socialist regime; ensuring political stability; maintaining social order and public safety; protecting the people's right of mastership; and foiling the reactionary forces' dark schemes and acts of sabotage against our people's revolutionary undertaking. This is followed by the following articles:

- An article by Vũ Xuân Kiều titled: 'The Shareholding Economy and the Risk Mechanism.' The author makes a thorough analysis of the risk mechanism that constitutes one of the fundamental characteristics and the superiority of the shareholding economy compared with other forms of economic activities.
- An article by Nguyễn Đăng Quang, director of the Nam Sơn Corporation, titled: 'The Privatization of State-Operated Business Establishments, a Motive Force of Production and Business Operations.' The author deals with the common trend of many countries worldwide to work toward the privatization of state-operated business establishments, and stresses that our party and state-initiated movement to privatize state-operated business establishments will benefit the national economy. The author concludes by suggesting ways to accelerate this movement.
- An article by Nguyễn Quốc titled: 'The Training of the Contingent of Business Cadres in Our Country.' The article stresses the urgent need for our country to train

a contingent of business cadres who are good qualitatively and ethically and who are also knowledgeable and skillful enough to contribute to national economic development under the new mechanism.

- An article by Nguyễn Kim Dinh titled: 'The Relations Among Party Committee Echelons, Secretaries, and Directors in Charge of State-Operated Business Establishments.'

Found in the 'Facts and Experiences' section are the following articles:

- An article by Đoàn Quang Thiên, holder of a Master Degree in Economics, titled: 'Promoting Tourism, a National Economic Strength.'
- An article by Nguyễn Thành Túc, deputy secretary of the Ninh Bình Province party committee, titled: 'Some Traits About Party-Building Task in Ninh Bình.'
- An article by Trần Minh Ngọc, secretary of the Nam Định City party committee, titled: 'Nam Định: Difficulties and Problem-Solving Methods.'
- An article by Phạm Thắng titled: 'The Thai Nguyên Iron Corporation Begins To Take a Firm Foothold Under the New Mechanism.'

The 'Ideological Activities' section carries an article by Dương Vũ titled: 'A Very Old Issue That Calls for Renewed Attention.' The article deals with the burning issue relating to the duty of writers and state agencies to help contain the circulation of sexually arousing books that are damaging to morality.

In this issue, the journal publishes an article by Trần Phúoc Hoan, director of the Presidential Palace Relics Site, titled: 'President Ho Chi Minh's Living and Working Arrangements at the Presidential Palace: A Priceless National Heritage.' The author provides the readership with additional valuable information about Uncle Ho's great life and revolutionary undertaking.

Appearing in the 'The World: Problems and Facts' section is an article by Trịnh Cường titled: 'The Lessons Drawn From the ASEAN Member Countries' Development.'

The journal publishes in the 'Through Foreign Books and Newspapers' section an article by Thanh Tùng titled: 'Japan Is Changing Its Science and Technology Development Strategies.'

Found in the 'Learning About Concepts' section is an article introducing two concepts about the commodity economy and the multisectoral economy.

Finally, the journal carries in the 'News About Theoretical Activities' section a report on a recent symposium on the origin of President Ho Chi Minh's ideology and ethics.

Vo Van Kiet Visits Bac Thai Province

BK1409052593 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 13 Sep 93

[Report by Station Correspondent Dinh Khai on Vo Van Kiet's 11-12 September working visit to Bac Thai Province]

[Summary] Dear Friends, on 11-12 September, Prime Minister Vo Van Kiet paid a working visit to Bac Thai Province. He visited some local production, industry, and service establishments, and held a working session with Bac Thai Province key leaders on directions to develop the local socioeconomic in the years ahead.

After arriving in the province, he visited the Thai Nguyen Metal Works Company. After inspecting the metallurgical production line in Gia Sang, he held a working session with leaders of the Vietnam Iron General Company and the Thai Nguyen Metal Works Company.

The Thai Nguyen Metal Works Company is our country's biggest metal works company with a history of many ups and downs in production. Company Manager Duong Khanh Lam reported to the prime minister on the company's increasing production since 1986 and the measures applied by the company to improve productivity and worker's working conditions.

Speaking to the company leaders, Prime Minister Vo Van Kiet emphasized the importance of metallurgy production in our national industrialization process in order to achieve our party and state's goal of extricating the country out of poverty. Demand for steel in civil and industrial construction will be steadily increasing. We have more advantages in raw materials for metallurgical production than other countries. That will help the company to develop and increase its production for the national construction undertaking.

The prime minister reminded the company to pay more attention to its gradual technological modernization in order to continue improving production quality and quantity. He also reminded the company of the need for environmental protection, especially when production is higher and more modernized.

At the Song Cong Diesel Machine Plant, Manager Truong Dien reported to the prime minister on the plant's efforts to overcome difficulties in the market mechanism, its current production level, and its planning to expand production. Prime Minister Vo Van Kiet expressed his joy at the achievements recorded by the plant. However, he reminded the plant cadres and workers that in mechanics, we are behind the world by dozens of years. Therefore, we have to actively and positively learn new modern techniques and quickly renew our technology in order to make better products with low cost. He urged the plant management to pay particular attention to training and upgrading the professional and linguistic knowledge of cadres, especially young ones.

At the Bac Thai Textile Garment Export Enterprise and the Dai Tu Tea Processing Enterprise, the prime minister visited production plants and asked workers about their working and living conditions. He acknowledged the enterprises' active efforts in seeking new markets, spending more money to improve production quality, and creating more jobs and a stable life for the laborers. He urged leaders of these units to continue their investment for better equipment and technology in order to ensure good product quality and maintain consumer trust. This would increase production, create more jobs, and improve the workers' income.

Dear friends, during his stay in Bac Thai, the prime minister spent a great deal of time working with the province's standing party committee, the people's council, and the people's committee on Bac Thai socioeconomic development planning in the coming years. Comrade Nguyen Ngo Hai, member of the Party Central Committee and secretary of the Bac Thai Party Committee, reported to the prime minister on the province's socioeconomic situation in the past and its developing directions for the future.

Addressing Bac Thai provincial leaders, the prime minister expressed his joy at Bac Thai's developing steps. He emphasized that the position of the town of Thai Nguyen in Bac Thai as an socioeconomic development center for the northern mountainous area should be fully realized. Linked with other economic centers in Hanoi, Haiphong, and Quang Ninh, Thai Nguyen already has great industrial potentials, including the metal industry and the production of cement and building materials. Bac Thai also has bright prospects for the cultivation of industrial and fruit trees.

Therefore, the prime minister reminded the Bac Thai leaders to reexamine their provincial planning and targets and forecast new developments for appropriate adjustments. He stressed afforestation and forest protection work, which must be closely supervised for practical results in order to improve the people's life at present and in the future. He also urged Bac Thai leaders to pay attention to environmental protection. He said that the planning of Thai Nguyen City must be calculated with the entire area in mind.

Regarding the lives of the provincial ethnic people, especially the H'mong ethnic people, the prime minister instructed the province to ensure enough food supply for them in order to satisfactorily execute the "Settled Farming, Settled Life" work. At the same time, the province should create favorable conditions for them to borrow money for more tree planting and for production increase in order to enhance the success of the "Settled Farming, Settled Life" program.

National Assembly Delegation Visits Provinces
BK0909124793 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 7 Sep 93

[Text] A National Assembly delegation led by National Assembly Deputy Chairman Dang Quan Thuy paid a working visit to Kien Giang and Minh Hai Provinces.

The comrade leaders of the provincial party committees, People's Councils, People's Committees of the provinces of Kien Giang and Minh Hai reported on the implementation of local economic and social tasks in combination with local defense and security tasks; the struggle against corruption and smuggling; and activities of the National Assembly deputies and the People's Councils in the two provinces.

The delegation also heard a report rounding up ideas of the various localities on the draft laws on territorial boundaries, the amendment of and supplement to the law on military service, regulations on protection of national defense projects and military zones.

Generally, although there are still countless difficulties, in recent years the socio-economic situation of Kien Giang and Minh Hai Provinces have experienced a lot of changes as it gradually embarks on comprehensive and relatively stable development.

National Assembly Deputy Chairman Dang Quan Thuy praised and highly appreciated the efforts and achievements of the party, the administration and people of the two provinces. He stressed that Kien Giang and Minh Hai should closely link economic construction with security and national defense. Attention should be paid to general planning, population disposition and the issues of habitat and environment. Efforts should be made to improve the activities of the People's Councils to suit realities, strengthen relations with the people, and to obtain better results.

Nong Duc Manh Pays Working Visit to Haiphong
BK1009054793 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 9 Sep 93

[Text] Recently, Comrade Nong Duc Manh, member of the Party Political Bureau and National Assembly chairman paid a working visit to Haiphong City. In his working sessions and meetings with voters in Ngo Quyen and Kien Thuy Districts, Chairman Nong Duc Manh spent time enquiring about the socioeconomic situation and the activities of people's committees at all levels.

He expressed his joy at the obvious socioeconomic improvements in Haiphong. He welcomed the efforts exerted by the Haiphong party committee, people, and administrative bodies to match the local economic structure with local conditions and potentials. The city has greatly increased production and business, significantly contributing to the renovation undertaking, initially improving living conditions for a large number of the

public, and positively implementing the policy to eradicate starvation and reduce poverty.

The chairman hailed the people's committees at all levels for their active role in social planning and in supervising the government's implementation of the planning. In particular, due to the people's committees' active contribution, in the past eight months, Haiphong has satisfactorily collected a revenue of 870 billion dong, nearly double the 1992 revenue collection. At present, Haiphong is continuing to strengthen its taxation service, prevent improper practices in tax collection, create favorable conditions for people to pay taxes, and strive to reach more than 1,000 billion dong in 1993 revenue collection, thus overfulfilling the target set by the city people's committee.

The chairman took notes on the suggestions on socioeconomic issues relating to the entire country and Haiphong in particular. He also recorded opinions on improving the organization of people's committees at all levels in the future in order to successfully build a Vietnamese legislative state of the people, for the people, and by the people.

During his stay in Haiphong, Chairman Nong Duc Manh visited construction sites in the Haiphong Industrial Processing Zone, the Do Son Tourist Service Center, the Aquacultural Processing Export Company, and the Haiphong Footwear Company. He reminded the party committees and people in Haiphong to pay more attention to practical ideas for satisfactorily implementing local socioeconomic planning. He also urged them to predict possible problems that might arise in their joint ventures with foreign countries so that proper measures can be applied to efficiently solve any problems.

Vo Van Kiet Visits Food Production Union
BK1209105893 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 11 Sep 93

[Text] Prime Minister Vo Van Kiet paid a working visit to the Union of Hanoi Food Production Enterprises on the afternoon of 10 September. Accompanying the prime minister were Comrade Pham The Duyet, Hanoi party committee chairman, and Comrade Le At Hoi, Hanoi People's Committee chairman.

Speaking on behalf of over 3,000 cadres, office personnel, and union workers, Comrade General Director Nguyen Thi Anh Nhan gave a brief report on the production and trading activities of the union. From the union's establishment in 1988 to the end of June 1993, its nine associate enterprises achieved a total production value of 200.056 billion dong and contributed 55.880 billion dong to the national budget. In the first six months of this year alone, the union's turnover has increased seven-fold, and its contribution to the national budget has increased by three-fold over 1988, the union's first year in operation.

The prime minister praised the cadres, office personnel, and union workers for their outstanding effort to adjust to the new mechanism in order to survive as well as develop production. This has been done by applying new technologies to improve product quality and diversify products. This has proven to be the correct strategy for the union, and it needs to be further developed and consolidated to advance processing of the variety of agricultural products that are among the main resources of our capital city.

Nguyen Ha Phan Visits Investment, Development Bank

BK1209093493 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 11 Sep 93

[Text] Comrade Nguyen Ha Phan, secretary of the party Central Committee, has paid a working visit to the Vietnam Investment and Development Bank's Party Affairs Committee. He commended everyone for their achievements in the framework of the renovation undertaking. He attached special importance to the need to build strong and firm party organizations in the Vietnam Investment and Development Bank; implement the party's policies on budget allocations, loans, and capital construction fund management; and fight corruption and waste.

Officials Attend Meeting on Security Issues

BK1109083393 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 10 Sep 93

[Text] The party Central Committee's Internal Affairs Department met with the section chiefs, deputy section chiefs, and those in charge of internal affairs of various provincial and city party organizations throughout the country in Hanoi from 7-10 September. Participants heard a situation briefing and exchanged working experiences in order to improve the advice they give to various party committee echelons regarding national security matters and law enforcement.

The conference was chaired by Comrade Nguyen Duc Binh, member of the party Central Committee and head of the party Central Committee's Internal Affairs Department, and addressed by Comrade Le Duc Anh, member of the party Central Committee Political Bureau and president of the state.

The conference concentrated on clearly analyzing what has and has not been done in the implementation of various party concepts in the field of general law enforcement, and activities related to investigation, arrest, prosecution, and trial in particular.

The conferees unanimously noted that in the past law enforcement bodies have exerted great effort to safeguard the regime and the people's administration, maintain public order and discipline, and protect the citizens' democratic rights and other legal rights. In their law

enforcement, however, they still display many shortcomings, such as letting criminals slip out of their hands and putting the wrong people on trial. In prosecution and trial, there are still many errors and shortcomings to be overcome promptly.

Addressing the conference, President Le Duc Anh hailed various local and sectoral party organizations for their positive and effective activities in deploying and implementing many party Central Committee and Political Bureau directives and resolutions regarding national security, defense, and law enforcement. This shows the sensibility of various party committee echelons as well as party cadres and members regarding the country's general situation and tasks.

Vo Van Kiet To Set Up UNESCO Club

BK1209073093 Hanoi Voice of Vietnam in English 1000 GMT 10 Sep 93

[Text] Vietnamese Prime Minister Vo Van Kiet has decided to set up a UNESCO club under the charter of UNESCO. A congress will be held in early October to establish the union of UNESCO club, to draft its statutes and organizational structure, and to work out a program of activities for the four-year 1994-97 period. Vietnam has been a member of UNESCO since 1976.

Minister Chairs Conference on Agricultural Output

BK1209070993 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 10 Sep 93

[Text] In Quang Ngai City on 9-10 September, Minister of Agriculture and Food Industry Nguyen Cong Tan, chaired a conference on agricultural promotion of provinces in central and Central Highlands region.

The conference discussed measures to cope with natural calamities in the region and the four key programs aimed at promoting agricultural production.

The first program calls for efforts to develop food crops; create conditions for agricultural development; control natural calamities; use more high-yield rice varieties; and improve crop patterns to increase grain production output in order to achieve the yield target of 35 quintals per hectare for provinces with difficulty, and 45 quintals for provinces south of the Central Highlands. It also urges localities to increase corn production output to achieve the target of 25 quintals per hectare.

The second program is aimed at increasing the production output of industrial crops, especially rubber, coffee, sugarcane, and mulberry.

The third program calls for efforts to improve animal husbandry, especially cattle raising and poultry farms.

The last program is aimed at improving the veterinary work, with emphasis given to eradicating infectious

diseases among cattle and improving the veterinary network from the central level to the grass-roots units.

Addressing the conference, the minister of agricultural and food industry urged officials of the ministry and agencies concerned to improve their work, and seriously carry out their duties to improve the agricultural production situation in the provinces of the central and Central Highlands region. He said that the four key programs for agricultural promotion are aimed at providing guidelines for various provinces in the region; and at formulating appropriate measures to promote agricultural production based on the real situation of their land and climatic conditions. He also called on these provinces to strive to design effective plans to increase agricultural production output and to improve the daily life of the local peasants.

Local Party Papers Discuss Cooperation

BK1209110193 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 12 Sep 93

[Text] On 11 September in Haiphong City, the leading comrades of party papers of six northern coastal provinces—including Haiphong, Quang Ninh, Hai Hung, Thai Binh, Nam Ha, and Ninh Binh—held their first meeting, hosted by the HAIPHONG newspaper. The objectives of the meeting were to discuss professional

coordination and to share experiences in the management, printing and distribution of their papers.

Among those present were comrades Phan Quang, secretary general of Vietnam Journalists Association; Huu Tho, member of the party Central Committee and editor-in-chief of NHAN DAN; Dao An, Haiphong People's Committee chairman; Tran Van Thuc, assistant secretary of Haiphong Party Committee; other leading comrades and representatives of the party Central Committee Ideology and Culture Department, the Ministry of Culture and Information, the Vietnam Journalists Association, and the Haiphong Party Committee Propaganda and Education Section; and the editors-in-chief of party papers of the six northern coastal provinces.

Following Comrade Dao An's introductory brief on the major socioeconomic features of Haiphong City, especially its foreign economic relations, the representatives at the meeting discussed and set up measures to coordinate activities among the papers of northern coastal provinces in the future. There are many areas open to further cooperation such as: the exchange of news and socioeconomic issues of each locality; the exchange of papers to learn news selection, layout, correspondents organization and in-depth experiences in specific issues; the exchange of news, articles, and photos; and helping each other in printing, distribution, and other technical and material matters.

Australia**Keating's U.S. Visit To 'Redefine' Relationship**

*BK1209123093 Melbourne Radio Australia in English
1100 GMT 12 Sep 93*

[Text] Prime Minister Paul Keating is starting a visit to Washington today for talks with American President Clinton and his administration. John (Chavolen) reports Mr. Keating says the discussions will redefine the relationship between the two countries:

[Begin (Chavolen) recording] Immediately on arrival in Washington, Mr. Keating will travel to the Arlington war memorial to lay a wreath at the Tomb of the Unknown Soldier. The first event of his three-day visit to Washington symbolizes the nature of Australia's relationship with the United States in the past. But the defense alliance is no longer the key. Mr. Keating says that critical relationship between the two countries is being redefined and his meeting with the President will find the new terms of that relationship. America's approach to trade issues is the focus of Mr. Keating's first meeting with Mr. Kantor, the U.S. trade representative. [end recording]

Comment on Human Rights Issue

*BK1509035193 Melbourne Radio Australia in English
0100 GMT 15 Sep 93*

[Excerpts] President Bill Clinton has strongly defended America's human rights approach to Asia against Australia's implied criticism of its stance. Australia's Prime Minister Paul Keating held talks with Mr. Clinton in Washington today for the first time.

In earlier talks with White House officials, Mr. Keating warned them to balance human rights concerns with its broader interests. Mr. Clinton then denied that the American approach had affected its relationship with countries like China, but Mr. Keating maintained his argument ahead of the forthcoming summit of leaders from the Asia-Pacific Economic Cooperation group in Seattle.

[Begin recording] [Keating]—that I think it is true for me and, I am certain, for the president that we see these issues as part of a total relationship where we seek to have an influence on these countries and where the influence may be diminished if the totality of that relationship only devolves the human rights question. [end recording] [passage omitted]

The prime minister's comments on human rights in Washington have also caused a reaction at home. The president of the Australian Labor Party, Barry Jones, said he was very uneasy about Mr. Keating's remarks. Mr. Jones said the West's human values should not be abandoned at the trading table.

[Jones] Much as I love my prime minister, I have had to say I feel very uneasy about it. That is not the view I take. I am the chairman now of the Human Rights Committee of UNESCO and so I ought to go absolutely overboard on the issue. But I think that the point is where human dignity is concerned, you have got to say to a number of the countries in Southeast Asia we are not sending the gunboat and we can't tell you what to do, but we should express our very deep feelings on issues that relate to the dignity of the human person. [end recording]

Evans Defends Keating's Comments

*BK1509095793 Melbourne Radio Australia in English
0800 GMT 15 Sep 93*

[Text] Australia's foreign minister, Gareth Evans, has defended human rights comments by the prime minister, Paul Keating, during discussions with White House officials.

Mr. Keating advised the United States yesterday to balance human rights with its broader interests, particularly in Indonesia and China. In response, President Clinton has defended America's human rights record and denied that the American approach has affected its relations with countries like China and Indonesia.

Senator Evans says Mr. Keating's comments are completely consistent with the position the government has taken for many years. He says the prime minister's message was clear and unequivocal.

[Begin Evans recording] We'll be forceful in expressing our views about the importance of democratic human rights values. We won't hesitate to do so when those values seem to be being compromised and put at threat. We won't hesitate to do so in our own region and these we have been doing in the past. But, what we will do is approach these issues in a balanced and measured way that's likely to be productive, that is likely to win enough influence for those views rather than having them dismissed out of hand. That's the deal that Mr. Keating was putting. [end recording]

Meanwhile, opposition foreign affairs spokesman, Andrew Peacock, has labelled the prime minister's overseas trip an unfortunate and fruitless exercise. Mr. Peacock says Mr. Keating's efforts at foreign policy are inept with the prime minister showing no depths of understanding on human rights issues.